THE NEXT CONGRESSIONAL ETHICS SCANDALS

THE AMERICAN Prospect

LIBERAL INTELLIGENCE

JUNE 2005

Meyerson: Fratricide in Labor's House

Crittenden: Travails of Poor Mothers

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JUNE 2005
VOLUME 16 • NUMBER 6

THE AMERICAN Prospect
LIBERAL INTELLIGENCE

"In a time of universal deceit, telling the truth is a revolutionary act."
— GEORGE ORWELL

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Philosophy 101

HERE IN WASHINGTON, "PROGRESSIVES"—THE preferred term of art these days—have been feeling pretty good lately. George W. Bush's Social Security privatization plan is still stuck in neutral, if not reverse. Tom DeLay, perhaps this town's most important Republican on an emotional level, is under fire. Poll after poll shows that the priorities of the Republican-controlled Congress—from passing the Terri Schiavo legislation to trying to block filibusters on judicial nominees—are quite unpopular.

Yet, those polls show something else, too: Public approval is not, as it turns out, a zero-sum game. While Bush and the Republicans have dropped in esteem and popularity, there has been no corresponding increase for Democrats. One reason seems to be that Washington Democrats aren't wildly popular among, well, Democrats; according to a Pew survey from March, just 56 percent of rank-and-file Democrats liked their leaders.

So what gives? To answer the question with statistical authority would require some information that apparently doesn't exist yet—namely, are the Democrats withholding their approval centrists who think the party is too far left, or liberals who think it's too namby-pamby? That discussion is best left to the statistically obsessed. Meanwhile, just as you don't need a weatherman to know which way the wind blows, you don't need a poll to confirm what your nose already smells.

A FEW WEEKS BACK, I WAS IN MY hometown (Morgantown, West Virginia) having some beers with three of my oldest friends. I worked up the gumption, eventually, to ask them how they voted. One voted straight Republican, but he was born and raised that way. The other two, I knew, were raised in Democratic or mixed households; both voted for Bush and the Democratic candidate for governor. When I asked them if they'd considered voting for John Kerry, they said sure. They didn't think he hated America or despised God or cost us Vietnam. They just had no firm idea of what exactly he stood for.

OK, too much can possibly be read into one red-state encounter. But I go there enough to have a sense of how things have changed in my once laughably Democratic home county (which Bush carried last November), and the results of this encounter track too closely with what we know to be true. And the problem is not limited to Kerry.

A vexing question in Washington: As Bush and the GOP go down, why don't the Democrats go up?

We're halfway through the first session of the current Congress. Increasingly, Democrats have become an effective Party of No. They've retained the upper hand on the Social Security debate. They put up a strong fight on the John Bolton nomination, and even if Bolton is approved as United Nations ambassador by the full Senate, he'll now have a very hard time pushing his "reform." They—specifically, Representative Alan Mollohan, the Democratic leader on the House Ethics Committee, who happens to represent my three friends—made the GOP buckle on the ethics fight. And, while the question of the "nuclear option" wasn't settled at press time, it's abundantly clear that Democrats will fight hard against extremist judges.

ALL WELL AND GOOD. BUT "NO" USUally isn't enough. There needs to be a "yes" in there somewhere, and the "yes" needs to be bigger than a health-care proposal or an education plan.

As it happens, the experts are working on the question. A number of studies are being conducted right now, reportedly to be completed over the course of the fall, in which pollsters and demographers are trying to take voters' emotional temperatures to help their Democratic clients speak to the souls of the unimpressed rank and file (and my two old pals). The purpose is to think big, to be visionary, to match the right passion for passion, and present a Democratic Party to America in 2006 that knows what it stands for and isn't afraid to say it.

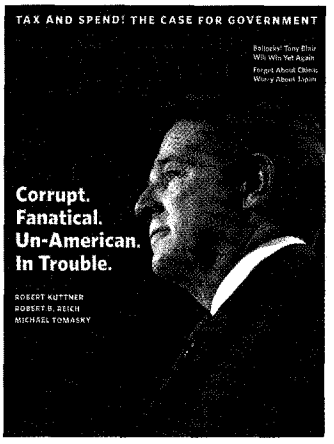
It's a great goal—and it will be extremely hard to achieve. For one thing, the Democratic Party is too ideologically diverse; lots of Democrats want the party to "stand for something," but some of them want the party to stand for blaming things on Hollywood or gay people.

But more importantly, Democrats are too much in the habit of thinking of politics as a battle of policy choices rather than a battle of philosophies. Obviously, policy differences are important. On the other hand, John Kerry had a terrific health-care proposal, and nobody much cared. And why should they have? He had no public philosophy to wrap it in. And without an overarching public philosophy as context, a policy, or a bushel and a peck of them, amounts to nothing. Which is why that 44 percent of people in the Pew survey are yawning.

Experts: The philosophy gap is yours to close! TAP

— MICHAEL TOMASKY

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The Japan-in-decline story could use a corrective, but Fingleton's piece isn't it.

— CHARLES LANE
WASHINGTON, D.C.

Japan Inc.?

WOW! UNTIL I READ Eamonn Fingleton's article in *The American Prospect* ["Sun Still Rising," May 2005], I had no idea how devious the Japanese could be. It turns out the last decade-plus of supposed economic stagnation in that country is all a figment of "the Japanese establishment's" "propaganda." They're cooking the national income figures and falsely bemoaning immense but misleading budget deficit numbers—while tightening their grip on the "chokepoints" of the U.S. economy.

Amazing: The hundreds of unhappy-seeming homeless I saw camped out in public parks across Tokyo and Nagoya on a two-month tour of the country last summer were not, as I naively imagined, the flotsam and jetsam of a troubled economy. They were actually officially steered there, as Fingleton tells us, as part of a secret national "bad news" strategy.

(Full disclosure: My trip was paid for by the United States–Japan Foundation and facilitated by Japan Society, a private-sector organization that promotes intercultural understanding—or an evil front organization for the Japan Inc. cabal and its U.S. apologists, depending on one's point of view. On the other hand, James Fallows also traveled to Japan as a Japan Society fellow in 1986, and Fingleton cites him as a reliable observer, which he is.)

According to Fingleton, skyscrapers are shooting up in Tokyo, Yokohama, and Osaka—but not in London or New York. Supposedly this proves Japan's eternal economic dynamism, and the West's corresponding sluggishness. No mention, of course, of such variables as local building rules or the size of these cities, either in area or in population. Presumably Tokyo, which is the world's largest city, would put up more skyscrapers than New York, which is less than a third as big. Checking the same Web site Fingleton cites, skyscrapers.com, one learns that of the 25 "most active" skyscraper-building towns in the world, adjusted for population, not a single one is Japanese.

Fingleton is even looking through the wrong end of the telescope when it comes to Japanese public-health indicators. He finds it sinister that Japanese life expectancy is outpacing our own, and that infant mortality is now down to barely three per 1,000 live births. (Though note how suddenly Fingleton becomes completely credulous about official statistics when it suits his purposes. One wonders why the perfidious Nipponese haven't also contrived to make it seem like their babies are dying off in droves.)

But the real demographic story Fingleton ignores is the crash in Japan's birth rate and the costs of an aging population. The United Nations estimates that Japan's current population of 128 million will have fallen to half that by 2100. The rising costs of caring for tens of millions of elderly citizens are already beginning to burden economic performance, and that burden can only grow.

The Japan-in-decline story probably could use a corrective, but Fingleton's implausible piece isn't it.

CHARLES LANE
Washington, D.C.
(Ed.: The writer covers the Supreme Court for The Washington Post.)

Eamonn Fingleton responds: Charles Lane is remarkably brazen in misrepresenting my article. Where, for instance, did I suggest that there was something "sinister" in Japan's success in boosting life expectancy and minimizing infant mortality?

Repeatedly, he contrives to sound as though he is contradicting me when he isn't. Indeed, he does not offer a single factual challenge to the many points I made. Thus for all his bluster on skyscrapers (he talks about current trends irrelevant to my point), he cannot deny that the construction of tall buildings in Japanese cities soared in the 1990s.

Equally, he cannot challenge my point on vagrancy—that until the early '90s, Japan had a policy of hiding the problem. (He talks of seeing "hundreds" of down-and-outs in Japan recently, but fails to mention that vagrancy is still far less prevalent in Japan than in the United States.)

Finally, he suggests that Japan may be a demographic basket case by 2100, but demographic forecasts are notoriously unreliable. In 1989, *Economist* Editor Bill Emmott used one to predict that Japan's current account surpluses would disappear before 2000. Instead they soared, and now stand three times higher than in 1989.

What Mr. Lane cannot gainsay is that, contrary to constant gloom in the press at the time, Japan emerged from the 1990s stronger than ever.

More of the Same

IN HIS ARTICLE "THINKING about the Government" [May], Geoffrey Nunberg cites my recent book, *The Past and Future of America's Economy,* dismissing its call for a "fundamentally new approach to government" as "outdated," network-society "patter." Nunberg admits that public confidence in government has declined dramatically from postwar levels. Yet his approach, and that of many on the left, is to continue to blithely forge on, cranking up the liberal public-relations machine to restore Americans' faith in bureaucratic government. Yet Americans have not been duped by the right into mistrusting bureaucratic government. A recent National Public Radio poll captured their conflicting views when it found that "Americans distrust government, but want it

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to do more." It's not enough for the left to respond just to the "want it to do more" sentiment and not also respond to the "distrust" concern. If presented with that choice, it's their distrust that all too often motivates voters.

Nunberg closes his article with Franklin Delano Roosevelt's famous quote that as new conditions arise, it becomes the duty of the government to find new remedies to meet them. Yet his "new remedies" sound like more of the same, not the kind of bold, forward-looking, reinventing-government agenda we need to restore trust in progressive governance.

ROBERT D. ATKINSON
Washington, D.C.

The '60s, Again

KEVIN MATTSON HAS written a provocative article about the 1960s and '70s ["Goodbye to All That," April] that suggests that the real legacy of the period belongs not to the liberal left but to conservatives and their organizing and infrastructure building. Particularly important is his emphasis that little was accomplished by the "expressive politics" of the time or by the protest mentality, which was "too fleeting and spasmodic." But while we think his emphasis on organizing and infrastructure building is tonic for the present and future, he arrives at that emphasis via a comic-book caricature of the '60s.

First, the '60s was, more than most eras, full of a wide variety of currents and cross-currents, tendencies and countertendencies that shifted nearly year by year, and none was representative of a leftist mainstream for more than a year or so.

Second, Mattson has a narrow concept of history and of what was and might have been accomplished by the civil-rights, women's, and other movements of the time. There is both more contingency and more inevitability in history than Mattson's sense of "all that" allows.

Finally, Mattson is wrong that there wasn't much organizing and institution building during the period. He needs to look no further than the labor movement, where there was a dramatic growth of union/political organizing in the public sector.

Among the mistakes the liberal left made then was to speak down to the working class and its struggles and institutions. Left politics became more expressive and less strategic as the opportunities for real change diminished in the '70s, and much of that expressiveness demeaned and stereotyped white workers and southerners. There are class and cultural reasons that made this almost inevitable then, but there was also real racism and sexism that did not often respond to subtlety.

Mattson has productively built upon an emerging discussion of how the negative legacy of the '60s limits our future, but there's more to that legacy than is dreamed of in his philosophy.

JOHN RUSSO, JACK METZGAR
Center for Working-Class Studies

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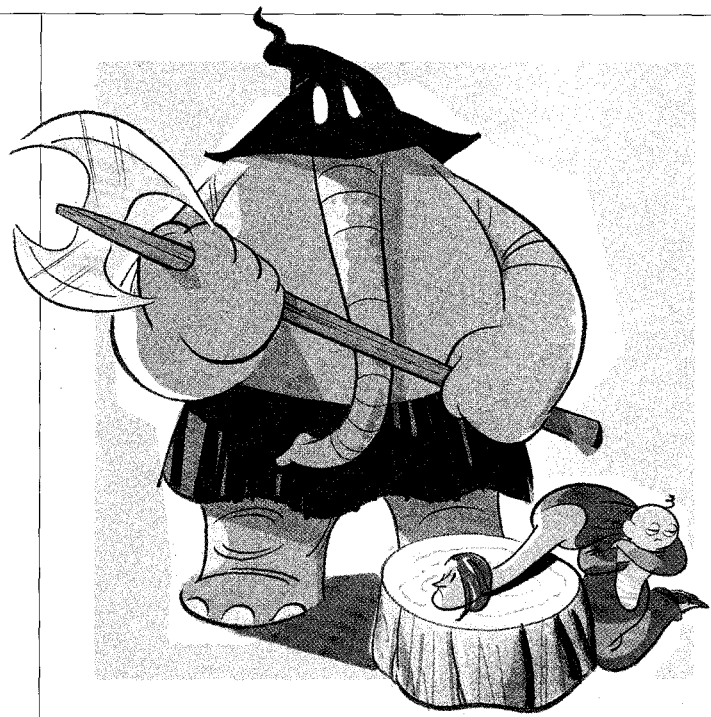
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Devil in the Details



FOOD STAMPED

Not that they've advertised it, but Republicans are gunning for food-stamp recipients.

It's all part of their low-visibility war on the poor. In early May, reports surfaced about the nasty surprise they've planned for poor seniors signing up for the new Medicare prescription-drug entitlement. Turns out that food stamps will be cut proportionally to the cash value of the drugs that seniors no longer have to buy out of pocket. But that was only the latest Republican attack on the program, which serves more than 25 million Americans. An even sneakier assault has been playing out in slow motion through the budget process.

In February, President Bush earned plaudits from a wide range of very surprised observers by including in his budget proposal several billion dollars of cuts in farm subsidies. Many commentators championed his political courage, but savvy observers suspected from the outset that the president's talk of cutting agricultural aid was a charade. Here's why: A budget resolution doesn't specify cuts in programs. Rather, broad instructions are sent to a congressional committee to cut a certain amount of spending from any entitlement program in its jurisdiction. The House and Senate Agriculture committees have jurisdiction over farm subsidies—but also over the federal food-stamp program.

As luck would have it, the chairman of the House Agriculture Committee, Virginia's Bob Goodlatte, is a longtime crusader against waste, fraud, and abuse in the food-stamp program, having for years sponsored legislation to restrict various groups from access to food stamps. Following the release of Bush's budget proposal, Goodlatte signaled that he had no intention of going along with the agricultural-aid cuts, and every intention of foisting required spending cuts onto the food-stamp program instead. In March, his Senate counterpart, Georgia Republican Saxby Chambliss, echoed Goodlatte's stated intention to cut food-stamp funding, telling The Associated Press that "we can come up with a significant number there."

On April 12, Agriculture Secretary Mike Johanns acknowledged that the administration "recognize[d] that Congress may have other proposals to achieve these savings" and was open to considering "other cost-savings recommendations" besides farm-subsidy cuts. Bob Greenstein of the Center on Budget and Policy Priorities estimates that food stamps will end up sustaining between half and all of the total $3 billion over five years that the agriculture committees must cut from their mandatory programs.

As usual, the folks the Republicans want to go after are the ones at the bottom of the food chain.

— SAM ROSENFELD

WAR REQUIEM

Marla Ruzicka always knew how to get people's attention, Lieutenant Lars Ewing told the hundreds of people crammed into Room 325 of the Russell Senate Office Building for her memorial service on May 14. Plainly struggling to retain his composure, Ewing—after turning his head to the side, scrunching up his face, and uttering an audible, "Whew"—told the gathering a story about his childhood friend, a 28-year-old human-rights worker who was killed in Iraq by a terrorist's bomb on April 16. In particular, he recalled one instance when Ruzicka pulled up in front of Ewing's house with a newly bought car and tried out the thunderous horn. "I didn't care how the car drove," Ewing recalled her saying. "I just wanted something with a loud horn."

Ruzicka did more than get people's attention. Through her organization, Campaign for Innocent Victims in Conflict, she got them to support her cause. In April 2003, Senator Patrick Leahy, after prompting from Ruzicka, introduced a bill that allocated funds for civilian victims of the war in Afghanistan.

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Eventually, he won appropriations totaling about $30 million for programs for civilians affected by the wars in Iraq and Afghanistan. This May, Congress voted to rename one of those programs, the Civilian Assistance Program, the "Marla Ruzicka Iraqi War Victims Fund."

In Iraq, Ruzicka won wide admiration for the way she reached out to people who'd been injured in the war—and the families of civilian casualties—and helped them file claims for restitution from the U.S. government. Of course, not everybody was impressed; nine days after her death, conservative commentator Debbie Schlussel—a self-styled ombudsperson of the Arab-terrorism nexus and its presumed collaborators—contended in a piece for David Horowitz's FrontPageMagazine.com that Ruzicka's work had detracted from the efforts of the U.S. military. Her death from a suicide car bomb that also killed her colleague Faiz Ali Salim, wrote Schlussel, was "poetic justice."

Schlussel's opinion was definitely not shared by those in attendance at the memorial. The group included many usual suspects, like Senators Leahy and Dianne Feinstein, Bobby Muller of the Vietnam Veterans of America Foundation, author Peter Bergen, Ralph Nader; and any number of scruffy-looking war photographers and foreign correspondents. But it also included some unusual ones, with several military officers in attendance. Jonathan Tracy, a former captain who processed claims for Iraqi civilians, said he used to go jogging at dawn with Ruzicka on a path that led to the Tigris River. He said he thought that she did excellent work. "Her agenda was very clear and honest. Marla was not a glory hound. Nor did Marla have any anti-military agenda. Her only agenda was to get assistance," he wrote in a letter that was read aloud by Captain Keith Bracey at the memorial service.

At a reception afterward in Adams Morgan, Lieutenant Colonel Barry Johnson, a Pentagon public-affairs officer, drank a gin and tonic and talked about Ruzicka. "Her death really affected me," he said. "It was the first time since the start of the war that I cried."

— TARA MCKELVEY

T-BOND FAKE

SEEKING TO REASSURE those Americans concerned that replacing Social Security benefits with stock-market investments would be just too risky, President Bush came up with a new alternative at his April 28 press conference. "I propose that one investment option consist entirely of Treasury bonds," the president said. This, accord-

DOSSIER: BLACK GOLD, TEXAS TEA

In early May, the average price of **a gallon of regular gasoline** was **$2.18** ... A year ago, it was **$1.89** ... Also in May, a barrel of light crude oil was quoted at **$52** ... When that price increase was announced, the **stock market** promptly fell nearly **30 points** ... Around that time, Venezuelan President **Hugo Chavez** told reporters in New Delhi that **"The world should forget about cheap oil."** ... His country is the **fifth-largest oil producer** in the world ... His four-day visit to India was aimed at increasing oil trade with that country and China to **ensure their fast economic growth** ... Between 1995 and 2004, **demand for oil skyrocketed** by 12.5 million barrels a day (mbd) ... **Global oil consumption** last year increased by 3.4 percent instead of the usual 1 percent to 2 percent ... Nearly one-third of that growth came from **China**, where oil consumption **soared by as much as 16 percent** ... By 2007, Beijing estimates that China will rely on **foreign imports** for as much as **50 percent** of its crude oil ... Behind China's new thirst for oil is the 6-percent annual growth of its national economy due to a **booming manufacturing sector** ... Experts predict that China will become the world's **second-largest oil consumer** behind the United States ... As a result of increased consumption, **global spare capacity** last year dropped to 1 million barrels per day, a 20-year low ... Almost all of this was in **Saudi Arabia,** the world's largest oil producer... Its most prosperous oil field is called **Ghawar** ... Discovered in 1948, the 300-mile-long sliver near the Persian Gulf is the **world's largest oil field**, and accounts for almost 60 percent of Saudi oil exports ... With more than **260 billion barrels of proven oil reserves**, Saudi Arabia is virtually the sole source of liquidity in the oil market ... Both the **International Energy Agency** and the **U.S. Department of Energy** assume Saudi oil output will double over the next 15 to 20 years ... To meet **global demand** for oil, Saudi Arabia will need to produce **13.6 mbd by 2010** and **19.5 mbd by 2020** ... But in a study released by Simmons & Company International, an energy investment banking firm, Matthew R. Simmons contends that **this won't happen** ... Simmons analyzed **200 technical papers on Saudi reserves** by the Society of Petroleum Engineers, and his work was peer reviewed by dozens of experts ... He argues that 90 percent of Saudi oil comes from **five giant fields** discovered between 1940 and 1965 ... Since the 1970s, there **haven't been any new discoveries** of that magnitude, and the Ghawar's bounteous northern regions are **almost depleted** ... After the Simmons study was released, Saudi oil officials **flew to Washington** to publicly refute the analysis ... **Privately** they are less confident, telling *The New York Times* that production beyond 12 mbd would damage the oil fields.

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ing to Bush, would make private accounts "a safer investment that will allow an American to build a nest egg that he or she can pass on to whomever he or she chooses."

And, indeed, Treasury bonds are, unlike stocks, a very safe place to park your money. Unfortunately, under Bush's plan, such investments, though guaranteed, are also guaranteed to lose money. According to the latest available figures, a 20-year inflation-protected TIP (the safest investment around) earns a real yield of 1.83 percent per year. At the same time, for every dollar you invest in your private accounts, Bush would have your Social Security benefit reduced by $1 plus 3 percent over the rate of inflation. Your safe investment, once you do the addition and subtraction, is thus guaranteed to lose 1.13 percent per year—plus administrative costs.

Unanswered questions abound about this 3-percent "clawback," which is essential to ensuring that private accounts don't lead to a future of never-ending deficits. If, as Bush proposes, the accounts are to be inheritable assets, the heirs of people who die before reaching retirement age would presumably inherit the clawback as well. But what if the combined effects of two clawbacks would reduce the traditional Social Security benefit below the guaranteed minimum the White House says it wants to preserve? What if somebody tries to will you an account that, like our bondholder's, is a money loser? Can you refuse to accept it? It's unclear whether the administration hasn't thought about these issues or just doesn't care.

Either way, Americans would be well-advised to double-check before accepting the president's investment advice.

— MATTHEW YGLESIAS

OOPS!

Punditry's not an exact science, and even the best writers make the wrong call now and again. Herewith, on our 15th anniversary, a selection of bad predictions from the *Prospect* archive:

August 2003: "Arnold Schwarzenegger will not be the next governor of California."

November 2002: "Not only might Saddam Hussein turn his weapons of mass destruction and chemical weapons against our troops; he likely would wield them against the civilian populations of neighboring countries and against Israel."

November 1998: "The U.S. economy looks like it is slowing down rapidly." (Two years too early.)

July 1997: "Interfaces like the current browsers for navigating the Web are relatively open (they connect to nearly all sites), but more closed interfaces, like the menu of options on television sets in hotel rooms, suggest how a more closed regime might be re-established."

September 1996: "The career of Paul Krugman epitomizes, if in extreme form, how the conventions of the economics profession work to block a resurgence of liberal activism."

Summer 1994: "Love it or hate it, 'three strikes' would have little impact on the size of prison populations."

Winter 1992: "The Supreme Court will now likely have a black justice among the majority when it votes to overturn *Regents of the University of California v. Bakke*, the 1978 decision upholding affirmative action at public institutions."

Spring 1991: "If, as seems likely, the Supreme Court continues to erode and perhaps ultimately reverse *Roe v. Wade*." (Depends on your definition of "ultimately.")

SIMON DOES

THE NEWEST DEMOCRATIC Party think tank won't be focusing on ideas, big or small. It will be devoted entirely to the art of politics. "My whole fear," said a trim, new-model, salad-munching Joe Trippi at the New Democratic Network's (NDN) lunchtime launch of the new project at the NDN offices on North Capitol Street, "was we [at the Dean campaign] were the Japanese at Pearl Harbor: We had woken up the conservative movement to another whole medium they needed to own." Now, "the Republicans and conservatives are pouring millions of dollars into this."

So it is that NDN leader Simon Rosenberg, with the financial assistance (to the tune of $1 million to $1.5 million a year) of Andrew and Deborah Rappaport, have founded the New Politics Institute (NPI). There is broad agreement in the Democratic Party that the Republicans, in the last election, paid more attention to the techniques of persuading, mobilizing, reaching, and organizing voters. The NPI's agenda is to pull apart political practices from arguments on policy so that every wing of the party can be as fully invested in—and skilled at practicing—the most up-to-date campaigning techniques.

"If only one small part of the progressive family is using modern means, we will always be a minority party," warned Rosenberg.

The new project will study the rise of the conservative movement over the past 30 years, the changing demographics of the American public, the media, and marketing. Fellows will include Trippi, voter-mobilization guru Cecile Richards, pollster Mark Penn, and blogger Markos Moulitsas Zúniga. The "nondenominational progressive" institute will seek to answer such conundrums as: How do you broaden the use of the Internet in organizing voters? What is the potential for video-to-phone politicking as the new technologies evolve? Or for podcasting? How can Democratic database mining be improved to better target and persuade voters? How can voter files be improved?

"It's too easy to denigrate this stuff as tactical, to not see it as transformative. We have to stop relegating this stuff to an intellectual backwater," said Rosenberg, and to a handful of set-in-their-ways consultants who are paid to think about these problems only every four years.

"What I really like about this project," added Moulitsas by phone, "is it's very much focused on winning elections."

— GARANCE FRANKE-RUTA

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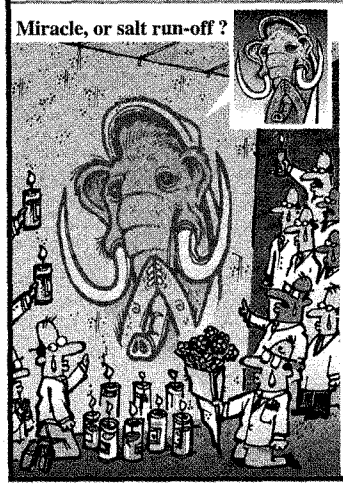
Don Asmussen

TRUE PROPAGANDA



'Fanatical Darwinians'

The New York Times — One Dollar



WORLD'S SCIENTISTS FLOCKING TO MIRACLE IMAGE OF 'VIRGIN MAMMOTH'

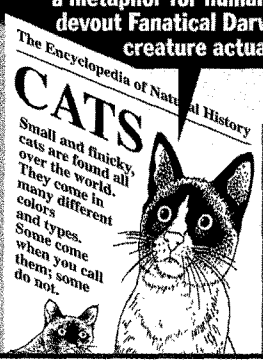
REALITY-BASED COMMUNITY CALLS IT 'A SIGN FROM DARWIN'

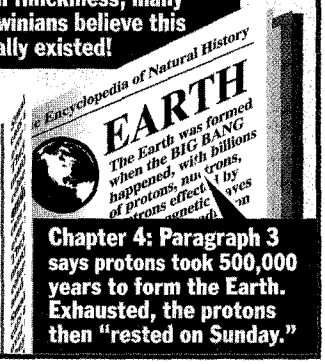
"There is NO religious explanation for this phenomenon."

FACT: Fanatical Darwinians have long interpreted "The Encyclopedia of Natural History's" stories literally as opposed to allegorically. Really!

The Encyclopedia of Natural History: Allegorical...or Literal?

Chapter 3: Paragraph 1 describes a small, finicky creature called a "cat." Long assumed to be a metaphor for human finickiness, many devout Fanatical Darwinians believe this creature actually existed!



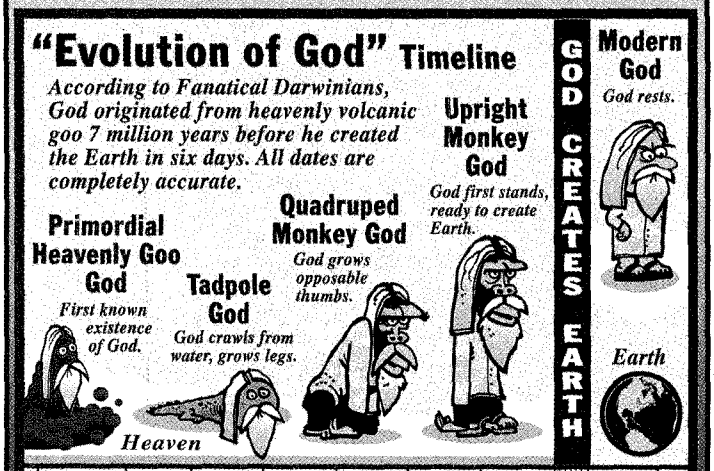


Chapter 4: Paragraph 3 says protons took 500,000 years to form the Earth. Exhausted, the protons then "rested on Sunday."

FACT: Fanatical Darwinians claim that God was, at one point a long time ago, a tadpole. Really!

"Evolution of God" Timeline

According to Fanatical Darwinians, God originated from heavenly volcanic goo 7 million years before he created the Earth in six days. All dates are completely accurate.

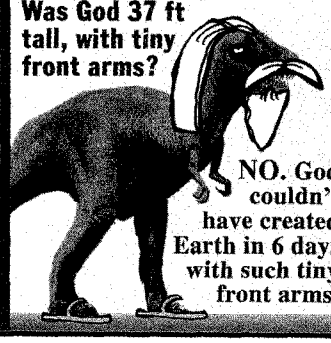


FACT: Fanatical Darwinian Archaeologists claim to have found God's bones, but do not all agree on which set are God's. Several theories exist ...

Which Fossil Was God?

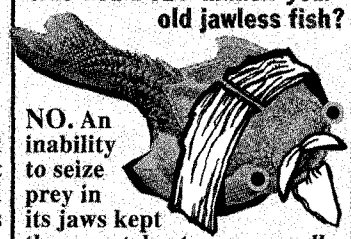
Below are several possible God fossils.* *(*White beard, hair, sandals are assumed)*

Was God 37 ft tall, with tiny front arms?



NO. God couldn't have created Earth in 6 days with such tiny front arms.

Was God a 520-million-year-old jawless fish?



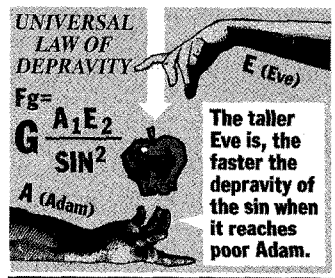
NO. An inability to seize prey in its jaws kept these vertebrates *very small*. God was supposedly *very big*.

Is our moon a piece of what was once God?



YES. The moon is the result of an asteroid hitting God while he was creating the Earth. The moon might be God's severed head.

FACT: Devout Fanatical Darwinian Isaac Newton noticed that an APPLE, when dropped from EVE's hand, accelarates until a SINNER catches it.



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Canada Approves "Liquid Marijuana" as Medicine

On April 19, the Canadian government certified for prescription sale a natural marijuana extract called Sativex® to treat pain and related symptoms of multiple sclerosis.*

Sativex is liquid marijuana -- a whole-plant extract containing the full range of unique compounds that occur naturally in marijuana, a mix that scientists believe contributes to its therapeutic value.

By approving this new oral spray, Canadian health authorities have refuted US government claims about the danger and ineffectiveness of marijuana as a medicine.

Isn't it time for our officials to take off their "Drug War" blinders and recognize marijuana for what it is: a natural substance that can bring medical relief to thousands of sufferers?

Marijuana in liquid form may not prove as effective as marijuana ingested through smoking or via a vaporizer, in part because the patient will not be able to readily adjust consumption to the level that reduces pain without causing mood elevation.

Common Sense for Drug Policy
www.CommonSenseDrugPolicy.org www.DrugWarFacts.org
Mike Gray, Chair; Robert Field, Co-Chair

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Dispatches

"The battle over [Bolton's] nomination has irreparably undermined any radical agenda he would have brought there."

—PAGE 13

PERFECTLY LEGAL

Who paid for Tom DeLay's trips? The more interesting question is why he went to Saipan at all—and what happened after he returned.

BY GARANCE FRANKE-RUTA

THE TROUBLES HOUSE MAJORITY Leader Tom DeLay faces for allowing a lobbyist to pay for overseas trips in violation of House rules provide a perfect example of *Los Angeles Times* op-ed page editor Michael Kinsley's famous dictum: The real scandal is what's legal.

And the congressional rules that may yet ensnare DeLay suggest another truism: Congressional ethics operate according to the reverse-sieve effect—instead of catching major ethical lapses that have injured the public interest for years while allowing piddling matters to slip through unmolested, the system captures small, technical rule violations. When it comes to substance, ethics rules have little to say, because in the strange Beltway calculus of right and wrong, engaging in flagrant acts of ethical turpitude is often known simply as policy making.

That's a point driven home by the sordid series of scandals in which DeLay has aided and abetted his longtime friend, disgraced lobbyist Jack Abramoff. From boosting the SunCruz gambling fleet sale to Abramoff and his allegedly mob-connected friend Adam Kidan—a sale that ended with the original owner murdered in a gangland-style hit—to traveling alongside Abramoff at the behest of an energy concern linked to Russian military intelligence, DeLay repeatedly failed to put a reasonable distance between himself and friends whose concern for making megamillions, whatever it took, was always greater than their concern for the public welfare.

It was DeLay's Abramoff-mediated relationship with the leadership of Saipan, though, that constituted the foulest episode of all. Not paying attention to whose credit card paid for DeLay's 2000 trip to England with Abramoff was one thing. But promoting the benighted labor policies of the Saipan manufacturing titans, and in the process punishing Department of the Interior bureaucrats who were trying to highlight those policies, was something else again—and a transgression only public opprobrium now has the power to rectify.



Dirty Hands: DeLay was visiting sweatshops.

MANY OBSERVERS HAVE LOOKED AT Saipan and seen ugly manufacturing sweatshops and sleazy bars where girls as young as 14 are forced into prostitution. But not DeLay. To DeLay, Saipan was an inspiration, not an embarrassment. Indeed, the United States, DeLay told the *Houston Chronicle* in 1998, ought to create a mainland guest-worker program just like the one Saipan offered Chinese citizens, where "particular companies can bring Mexican workers in" and pay them "whatever the market will bear." The Saipan solution, he added, was "a shining example of a free-market success."

Fast-forward nine years. President George W. Bush, also of Texas, has proposed a guest-worker program that would allow Mexican citizens already in the United States to apply for citizenship and to enter the United States as guest workers. But DeLay is still lobbying for a more restrictive program—one more like Saipan's. "What I understand as a guest-worker program is one where you apply for the guest-worker program in your country of origin, and you have a job when you apply," DeLay told *The Washington Times* earlier this year. "You cannot bring your family with you. You commit to work a certain period of time, and you go home."

Saipan, only 47 square miles in size, is the main island of the Commonwealth of the Northern Mariana Islands (CNMI), an archipelago that curves up the South Pacific from Guam like a trail of drops from a melting ice-cream cone. A U.S. territory since World War II and a commonwealth since 1986, the islands' white sands and crystal waters have made it a resort haven for Japanese tourists, some 500,000 of whom visit each year. But there are things about Saipan that have made it like no other place in the world—and certainly no other place under American jurisdiction.

By the late 1990s, roughly 40,000 foreign workers, mainly Chinese and Filipina women, had been brought in, and 20,000 toiled in Saipan's 29 garment factories, producing goods bearing the "Made in the U.S.A." label for such all-American brands as Ralph Lauren, Levi

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Strauss, and Tommy Hilfiger—even though the goods were made of foreign cloth, by foreign workers. Workers paid as much as $7,000 to companies promising them jobs in Saipan. Often they would borrow the money—then, on arrival, find themselves making only $3.05 an hour. After their one- to two-year contracts were up, they were sent back, often none the richer. These were the guest workers about whom DeLay raved—and reportedly joked, after a visit to the factories, "I don't see anyone sweating."

During the winter of 1997–98, DeLay, his wife, his daughter, and three aides spent the New Year's holiday with Abramoff on Saipan. Five aides to then–Majority Leader Dick Armey had already visited in 1997, and DeLay aides had also visited in '96 and '97. Willie Tan, a Hong Kong–born garment-industry mogul who heads Luen Thai enterprises in Saipan, hosted a reception for DeLay within a day of his arrival. Tan had already been successfully sued by the U.S. Department of Labor and ordered to pay workers $9 million in restitution in the early '90s. Before a crowd of politicians and businesspeople that night, DeLay declared Abramoff, who represented the Saipan Garment Manufacturers Association and the CNMI government while at the firm Preston Gates & Ellis LLP, "one of my closest and dearest friends." That loyalty would be tested in the months ahead—and it proved unshakable.

In March of 1998, a private investigator who had been hired by the Interior Department to secretly document the working conditions on Saipan came back with a devastating report that accused garment factories of, among other sins, forcing women to have abortions so that they could keep sewing. That same month, Representative George Miller issued the report "Beneath the American Flag: Labor and Human Rights Abuses in the CNMI," demanding federal intervention. A Senate committee held a hearing that April, but the Republican-controlled House refused to do so.

As pressure was building, Abramoff had laid out a multi-pronged plan of counterattack: to "defund, or more likely, to severely limit the activities of the Office of Insular Affairs," the Interior Department office that oversees territories such as the CNMI; to use congressional connections to stack any future public hearings on the CNMI with favorable witnesses; and to continue to fund lush junkets for members of Congress. "Trips to the (islands) are one of the most effective ways to build permanent friends on [Capitol Hill]," Abramoff wrote in a January 31 memo. Then–Interior Secretary Bruce Babbitt accused the lobbyists of orchestrating "a massive campaign of intimidation" against the federal workers who opposed Saipan's "low-wage indentured alien worker program."

Within a year and a half, Abramoff had managed to use his ties to lawmakers he'd brought on junkets to the CNMI to turn the tide against the federal bureaucrats. But before he could do that, he needed more money. By late that spring, the CNMI government was pressed for cash to keep paying the lobbyists, according to a *Pacific Daily News* report. A CNMI audit showed that the CNMI government had already paid $3.1 million to Preston Gates & Ellis in 1997. So legislators passed a new statute to raise up to $2 million more in fees from the garment manufacturers. "Will the governor sign it soon?" a Preston Gates & Ellis memo anxiously queried the CNMI that spring. "We would like to settle on the contracts ... ASAP." The fee increase was signed into law the next day.

Finally, the GOP–controlled House acted. But incredibly, rather than going after Saipan, the House Resources Committee went after the federal regulators. It subpoenaed materials about alleged anti-GOP activities at the Interior Department. In particular, the department was charged with colluding with Democratic candidates in '98 against DeLay, Armey, and California Representative Dana Rohrabacher, all of whom had visited, or had their staffs visit, Saipan. Committee Chair Don Young of Alaska had also made the pilgrimage to Saipan, as had several members of his staff. Within weeks, the main target of the inquiry, Office of Insular Affairs spokesman David North, an outspoken critic of Saipan labor policies, was forced to resign. Office Director Allen P. Stayman, also a target of the congressional probe, had already left the department.

Fast-forward to 2000. Abramoff, who had also been a fund-raiser for Bush, was rewarded for his dealings with a plum role advising the Bush-Cheney transition team. His assigned area? The Department of the Interior.

So as the debate unfolds over the coming weeks about who paid for Tom DeLay's sojourn in Saipan, it's well worth remembering what the point of his trip was. The Kinsley dictum has never found a truer exemplar. **TAP**

BOLTON FROM THE BLUE

Bush's UN pick may yet be headed for First Avenue, but the movement that opposed him emerges from the fight in better shape than he does.

BY MARK LEON GOLDBERG

About halfway through Senator Richard Lugar's droning opening statement in the May 12 confirmation hearing of John Bolton to become the next U.S. ambassador to the United Nations, a yawn made its way around the press table. And it lingered—until Lugar ceded the floor to the incalculable senator from Ohio, George Voinovich, when our listless eyes turned lively and the laptops fired to life. Would Voinovich break ranks and vote with the Democrats? Or would he duplicitously express his reservations before buckling to the administration's will?

As we now know, it was something in between. Voinovich may have enabled Bolton to scrape his way through the

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Senate Foreign Relations Committee and move to the full Senate for a floor vote, but he nevertheless made himself an ally of those seeking to defeat Bolton's nomination. "Once we lost [Lincoln] Chaffee and [Chuck] Hagel, there was never a possibility of killing it in committee," said Don Kraus of Citizens for Global Solutions, a membership organization that provided key grass-roots opposition to the nomination. "I think what Voinovich did took guts. Sending it to the Senate floor without a recommendation means we can still fight it."

At press time, Bolton's fate was unclear. But even if he passes, progressive Washington accomplished several things in this fight. Democrats who were initially reluctant to go to the mat on the Bolton nomination were forced to do so via pressure exerted by an extremely active private and public grass-roots campaign. Once Democrats chose to fight, they did it effectively. And finally, the ensuing controversy has badly damaged the nominee and, by extension, the hard-line elements within the administration that he represents.

ON MARCH 7, WHEN SECRETARY OF State Condoleezza Rice first announced Bolton's nomination, progressives and moderates let out a collective groan. Almost immediately, a group of civic-minded intellectuals and activists decided to dig in. At the center was a close-knit group—which managed to stay out of the newspapers the entire time—of about seven individuals who, by their professions or experience, were in a position to get in contact with a bipartisan cadre of former cabinet members, ambassadors, and other high-ranking officials concerned with the damage Bolton could inflict on U.S. interests at the UN. Just before the committee vote, I spoke to one, who described to me how the group quickly mapped out a congressional strategy that paired individual senators on the committee with influential ex-officials whose opinions the senators were known to trust.

Complementing that inside strategy was an outside strategy led by a large network of organizations such as Citizens for Global Solutions and MoveOn. They began staging weekly meetings to mobilize grass-roots pressure against the nomination. On the front lines of that battle from the very beginning was Steve Clemons, a senior fellow at the New America Foundation and the proprietor of The Washington Note blog. From Bolton's nomination onward, Clemons ran a one-man whip operation, relentlessly pressuring Democrats on the Senate Foreign Relations Committee to state their opposition to Bolton for the record.

But Democrats were initially reluctant. "At first, no one on the Hill thought that this was a battle worth fighting," Clemons told me. "It was as if the Democratic political class was on this autopilot function where if the White House wanted something, they would simply roll over and let the White House have its way." A former government official who also made early contact with Democrats on the Hill to gauge their readiness for a fight lodged a similar complaint. "[Senator Joseph] Biden had to be pushed to take on the Bolton nomination," she complains. "We asked high-level people in Biden's office, 'Are you guys going to do something about the Bolton nomination?' And we were told they were not going to touch it."

Barbara Boxer was buoyed by activists' efforts, but most of her fellow Democrats were less receptive to grass-roots pressure. Then, the minority staff's phone rang. It was Carl W. Ford.

Slowly, the grass-roots strategy started to pay dividends. According to one Senate source, Barbara Boxer was particularly buoyed by the show of concern from the grass roots and decided that there was nothing to be lost in confronting the nominee full force. Still, most of her fellow Democratic committee members were less receptive to grass-roots pressure. Then, the minority staff's phone rang. It was Carl W. Ford.

Ford, the former chief of the State Department's Bureau of Intelligence and Research (INR), clearly wanted to vent his frustrations over Bolton's behavior toward INR professionals. And just as the minority staff learned of Bolton's bizarre actions against individual analysts at the INR from Ford, the Senate Intelligence Committee forwarded information to the Senate Foreign Relations Committee that had been drawn from an inquiry into bureaucratic browbeating of career intelligence analysts. Bolton's name emerged. "At that point, chips started falling into place," a Senate source told me.

EVEN IF BOLTON ASSUMES HIS POST at Turtle Bay, the battle over his nomination has irreparably undermined any radical agenda he would have brought there; as Dick Cheney's hard-line proxy at the UN, he's been effectively neutered. The moment that Bolton reverts to his abusive managerial style or advances an agenda independent of his erstwhile supervisors at Foggy Bottom, Clemons will collect more leaks than my old bathtub. As has been the case throughout the nomination saga, they'll quickly spread from his blog to the traditional media outlets.

"One of the great things about the Bolton fight is that it reminds the Democrats that political struggle is not always about the win," a Senate Democratic aide told me, "but about fighting the good fight." To their credit, the Democrats on the Senate Foreign Relations Committee tried as best they could to fight this nomination on its merits and keep the partisan rancor to a minimum; for each interview conducted by the minority staff, Biden requested the presence of a Lugar staffer. It was the White House, from a defensive posture, that sought to turn this nomination into a referendum on raw presidential power,

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spending enormous political capital on a fight that may end up as technically successful but that has come at a high price.

"Our battle sends a strong message to the White House not to put extremists forward," a senior Senate aide told me following the vote. And if or when it does, its hand will only be weakened by the Bolton battle.

Thus, it may have taken some prodding from friendly groups off the Hill, but the Senate Democrats seem poised to adopt a new fighting faith. Another Senate aide gleefully waxed poetic: "Even when you face the analytic judgment that Bolton may prevail, the mark of your character is whether you accommodate, lay down, and resign yourself to the inevitable, or do you pull a Dylan Thomas and 'Rage, rage against the [dying] of the light.'"

This time, at least, the Democrats did not go gently. **TAP**

THE PRINCE AND THE DISSIDENT

Behind an Iranian in Washington promoting democracy and nonviolence is a network that includes neocons—and the shah's son.

BY LAURA ROZEN AND JEET HEER

As a former aide-de-camp to the Ayatollah Ruhollah Khomenei and one of the founders of Iran's Revolutionary Guard, Mohsen Sazegara was once at the radical, sharply anti-American vanguard of that country's Islamic revolution. Operating from Khomenei's exile headquarters in Paris during the 1970s, the U.S.-educated student revolutionary was so close to the theocrats plotting to overthrow the American-backed shah that he flew into Tehran with Khomenei to launch the 1979 revolution—and later served in several high-level political posts in the Islamic revolutionary government.

More than two decades later, Sazegara—now 50 years old and wizened from two harsh terms in Iranian prisons—has returned to the United States with a very different agenda.

Sazegara has taken up residence at The Washington Institute for Near East Policy, where he hopes to mobilize his fellow exiles and U.S. policy-makers in support of a new initiative to peacefully topple the regime in Tehran.

In recent months, he and his supporters have been calling for a nationwide referendum on Iran's constitution, timed to coincide with Iran's presidential elections in mid-June. Referendum organizers have gathered 36,000 signatures on their Web site, www.60000000.com (a reference to the more than 60 million Iranians living under the mullahs' oppressive rule).

Among the referendum campaign's most prominent backers, ironically enough, is Reza Pahlavi, son of the late shah whom Sazegara helped topple. He is now a resident of the Washington, D.C., suburbs, where he maintains his "secretariat." Pahlavi, 44, has his own group of followers who are seeking to restore the dynasty founded by his grandfather (a goal neither endorsed nor renounced by the putative heir).

A nexus of monarchist Iranian exiles and American neoconservatives, the Pahlavi network was cultivated in the early '80s by U.S. officials who wanted to explore options for overturning the Tehran regime. The aftermath of the Iran-Contra scandal froze the network for almost two decades. But the network surfaced again with the arrival of George W. Bush, as neocons called for regime change. In 2002, Pahlavi himself authored *Winds of Change: The Future of Democracy in Iran*, which advocated peaceful, Serbian-style revolution in his homeland. (His publisher, interestingly enough, was Regnery, now famed for its connection with the Swift Boat Vets and POWs for Truth.)

The network briefly gathered force following the fall of Baghdad. With protests sweeping Tehran in the summer of 2003, neocons urged action. But their momentum slowed with the regime's crackdown on protesters and then faltered after revelations of Pentagon contacts with Manucher Ghorbanifar, the notorious Iran-Contra arms dealer.

Yet recent moves in Congress to promote the "liberation" of Iran prove the continued vitality of the idea and its persistent sponsors. Over the course of nearly three decades, the same players continue to form the same coalition, pushing the same idea: a U.S.-sponsored campaign to destabilize the mullahs.

Having suddenly dropped into Washington's continuing debate over policy toward Iran, Sazegara faces decisions that could make or break his opposition movement. His mere presence at the Washington Institute, a think tank known for advocating pro-Israeli policy and the targeting of Iran, adds a new layer of potential controversy. But the embrace of his well-connected new friends has also proved very helpful.

Owing to his past ties to the Revolutionary Guard, which runs Iranian military and intelligence operations, he was initially refused permission to visit the United States. The Washington Institute's top Iran specialist, Patrick Clawson, lobbied hard for months to secure Sazegara's extended visa.

How did the former Revolutionary Guard connect with Washington's wealthy, Republican-oriented, and largely monarchist Iranian exile community? He says that when he was released from an Iranian prison last year to obtain medical treatment, an Iranian scholar who runs a Persian-language library in London introduced him to Shary Ahy, one of Pahlavi's chief political advisers.

It isn't clear whether Sazegara was fully aware of all the potential complications when he accepted the Washington Institute's generous fellowship offer. During a recent interview with the *Prospect*, for example, Sazegara criticized the Mujahedin e-Khalq (MEK), an Iranian terrorist organization that allied itself with Saddam Hussein during the Iran-Iraq

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war and was responsible for killing a close Sazegara associate. He was genuinely surprised to learn that figures associated with the Washington Institute—including Clawson—have long been pushing the Bush administration to rescind the State Department's longstanding "terrorist" designation of the MEK, to facilitate working with the group against the Tehran regime.

Sazegara is entering the debate about America's Iran policy at a critical juncture. The main issue, of course, is Iran's nuclear program. Iran recently declared at the Nuclear Nonproliferation Treaty review conference that it is determined to pursue a "peaceful" nuclear program—which may signal the breakdown of the European-led negotiations.

While the White House reviews options, hawkish members of Congress have taken advantage of the policy vacuum. Hardly noticed in last December's appropriations bill was a measure introduced by Senator Sam Brownback to provide $3 million to promote democracy in Iran—the first such U.S. funding targeted at Iranian internal affairs since the Reagan administration backed CIA programs to try to dislodge the mullahs.

Like so many aspects of U.S. policy toward Iran, the new funding has encountered both raised expectations and skepticism. "This is a good excuse for not having a policy, for not being serious," says Manouchehr Ganji, a Washington-based Iranian human-rights and democracy activist who once served as minister of education in the shah's government.

Twenty years ago, Ganji ran a pro-democracy, anti-mullah, Farsi-language radio station from Paris that was funded by the Reagan and Bush Senior administrations. "What do they expect these people will do for $3 million?" he asks. "This is not being serious with a regime like that, which is armed to the teeth, which arrests people, tortures people .... To ask people to come and get a little money and get themselves killed, with no organization, no backing—it's a criminal act."

Still, Sazegara believes that his referendum bid can unite Iranians behind a platform that supports universal human rights, while leaving vague the details of post-mullah governance. Behind him are sympathizers who include everyone from monarchists to secular leftists. Although Sazegara is the movement's public face, the man actually coordinating that effort is the suave, MIT-educated Ahy.

THE PAHLAVI ADVISER SPEAKS ELOquently of the recent democratic upheavals in Ukraine, Georgia, and Kyrgyzstan, saying that the referendum effort should be understood in the context of those events.

"Twenty-seven years ago, it was a revolutionary paradigm sweeping Europe, and in Iran, it was [militant] revolutionaries that planned political change," says Ahy. "Now, with events in Ukraine, Georgia, Kyrgyzstan, it is liberal democrats who plan political change, and execute it, and the process is going to be a liberal democratic process."

With their patient discourse on liberal democracy, nonviolent change, and international human rights, neither Ahy nor Sazegara sounds like Washington's more belligerent advocates of regime change in Iran. Yet the fact that Pahlavi's operatives are quietly coordinating the referendum effort troubles some observers.

"They are very cute in their talk of the strategic uses of nonviolence," says an American of Iranian descent who has been in contact with the extended Pahlavi network and asked not to be identified. "For instance, Pahlavi, in his recent book made a point of saying if Iran is struck militarily, it will set back the cause of regime change 30 years."

At the same time, says this Iranian-American activist, the Pahlavi network and its American sponsors have been trying for a quarter-century to demonize the undoubtedly wretched Iranian regime in the American public mind to an almost cartoonish degree—as if Iran's leaders "were Hitler," he says.

Working mostly behind the scenes, the network brings to mind the covert intrigues of the Reagan era, which involved a constellation of monarchists, arms dealers, neoconservative ideologues, and Israeli intelligence agents. Back then, as Ganji recalls, Pahlavi and Ahy recruited him in a Rosslyn, Virginia, hotel room to run the Paris-based radio station with funds provided by Congress.

Today Ahy insists that the referendum effort is accepting no money—or strategic direction—from any foreign government. "In conversations that I have had with people in Washington, I have told them there are two red lines," he says. "We cannot accept public funding from this or any other government. And we do not want legislation from Congress that discusses regime change."

"What do they expect these people will do for $3 million?" asks one Iranian democracy activist. "To ask people to come and get a little money and get themselves killed ... it's a criminal act."

During a May interview shortly after his arrival in Washington, with limited signs that the referendum movement had achieved political traction, Sazegara sounded philosophical. The election's most likely outcome appeared to be the return of Ali Akbar Hashemi Rafsanjani, the 70-year-old conservative hardliner, former Iranian president, and a figure all too familiar from the Iran-Contra era.

"Our difficulty now is to give the people hope, to give the people something to believe in," Sazegara mused. "To melt the ice. This is the reason that we need international support of the Iranian people—not just lip service." TAP

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The Death and Life of American Liberalism

The right has shown that conviction beats vacillation. Can liberals acquire some spine?

BY ROBERT KUTTNER

"I can't believe I'm losing to this guy."
— Jon Lovitz playing Michael Dukakis,
Saturday Night Live, *October 1988*

WHY *ARE* WE LOSING TO THESE GUYS? ON nearly every major issue, public-opinion polls show that the Bush administration and the Republican Congress are well to the right of the country. Yet George W. Bush got himself re-elected, with an enlarged majority in both chambers of Congress.

Let's cut to the chase. The big reason is that the right is a movement, 30 years in the making. And a movement culture is a habitat that allows grass-roots activists, party professionals, and conviction politicians to function strategically as a smooth machine joined by a common ideology. "I knocked on a lot of doors in 2004," says Steve Rosenthal, who headed America Coming Together, the largest liberal voter-mobilization group. "If I heard it once, I heard it a thousand times: 'You may not agree with George Bush, but you know where he stands.'" Conviction evidently trumps vacillation, even when voters are skeptical of particular convictions. One of John Kerry's pollsters says, "People looked at Bush and concluded that he'd shoot first and ask questions later. They concluded that Kerry would ask questions first. They voted for Bush."

THE CONSERVATIVE MOVEMENT IS ROOTED IN A COHERent, easy-to-summarize ideology: Government doesn't work, except to protect you from terrorists; you deserve to keep more of your own money; cherished American family values, including national security, are under assault from liberals. The right has fine-tuned and segmented its rhetorical symphony so that the bass notes rock its political primitives while a softer timbre appeals to the moderate ear.

The right's famed echo chamber now can "narrowcast" complementary messages to every major demographic group. "For conservative voters in Peoria," says Rob Stein of the Democracy Alliance, "there's something for everyone. The businessman gets it from *The Wall Street Journal* editorial page. The soccer mom has FOX News. The 24-year-old beer-drinking guy has Rush [Limbaugh]. The religious right can get the word from Pat Robertson."

A movement ideology also produces unity. Despite schisms, the right is simply more disciplined. The discipline is reinforced by new forms of patronage—tax breaks for the elite, godliness for the base. Worldly sinners among Wall Street Republicans may smirk at the fundamentalists in their governing coalition, but are happy to share the bounty. They may privately oppose the immense budget deficits, but the heavily Republican Concord Coalition, so publicly alarmed at the (Republican legacy) deficits of the 1990s, is today prudently silent. Conversely, social conservatives may wince at the antics and views of Rudy Giuliani and Arnold Schwarzenegger, but the coalition holds. Genuine Republican moderates, meanwhile, have been coerced or co-opted into near silence. The resulting legislative unity is also unprecedented.

Finally, there's a war on, a conveniently permanent one. The right manipulates fear of terrorism into public and media acquiescence for a politics that would never prevail in normal times.

And yet, this overpowering structural tilt conceals some surprisingly good news. Despite its immense advantages, the right barely prevailed in the last two presidential elections, even against feckless Democratic campaigns. The superior infrastructure just offset the extremism. The country remains skeptical about most Republican policies, from Social Security privatization to the assault on the courts. As John B. Judis and Ruy Teixeira have documented, potentially liberal groups are demographically ascendant. There *is* a latent liberal majority, *if* liberals can once again learn to do politics.

CAN THEY? THE THREE BIG CHALLENGES HAVE TO DO with mechanics, ideology, and leadership.

It is universally accepted that the progressive side needs more strategic infrastructure. This process is already well along, with the flagship Center for American Progress in its second year. Stein has spent the past two years mapping the right and presenting a sophisticated PowerPoint to prospective donors. Stein's goal is to funnel hundreds of millions of patient dollars

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to progressive think tanks, media organizations, and training operations. His Democracy Alliance recently had its founding meeting and will audition potential grantees this summer.

Stein identifies 80 national right-wing think tanks now spending a total of $400 million to $600 million a year as developers and marketers of conservative ideology on economics and foreign policy. Nearly half the money goes to media, message, and strategy. These think tanks are a milieu to mentor thousands of movement conservatives and hone ideas. The progressive counterparts, Stein calculates, are 19 national groups, with a total budget of about $75 million a year. The right, says Stein, now has 14 nationally syndicated columnists with 250 or more newspaper outlets. The left has three. One, Molly Ivins, is frankly ideological. The second, my *Boston Globe* colleague Ellen Goodman, is a warmhearted liberal with a genius for translating an essentially feminist perspective into kitchen-table common sense. The third is the octogenarian humorist Art Buchwald. In addition, the national conservative/Republican movement is linked to a cultural right with a genuinely grassroots base in groups like the National Rifle Association, right-to-life organizations, and fundamentalist churches. "The coordination isn't perfect," says Stein, "but in places like Florida or Ohio it can make a huge difference."

To Stein, the right's movement ideology was able to mature into a strategic political force precisely because it had plenty of well-financed institutions that could work through a common agenda rather than differentiating themselves for donors. Still, if it is easy to agree on the need for more strategic resources, the quest for a common ideology is daunting.

There are basically two stories on what liberals and Democrats need to espouse. Either might conceivably produce a majority movement and party. Both cannot; the competing messages simply cancel each other out. We saw the effects in 2000 and 2004 of Al Gore and John Kerry trying to take a dollop of each.

In one story line, liberal interest groups have disproportionate influence, leaving the Democratic Party with a message too left wing for the country on both social issues and national defense. On economics, New Democrats want a modernizing party committed to fiscal responsibility, globalism, and market-like strategies for social problems such as health care and education. This is said to be "pro-growth," though its detractors view that as a code for pro-business. The Democratic Leadership Council (DLC), initially cheering Gore-Lieberman as just the ticket, became progressively disillusioned the more populist Gore sounded. In a DLC postmortem, Joe Lieberman declared that Gore's "economic populism stuff was not the pro-growth approach. It made it more difficult for us to gain the support of middle-class independent voters who don't see America as ... us versus them."

The opposite view—whose exponents include Tom Frank, Robert Borosage, and David J. Sirota—holds that by failing to run as progressives, Democrats allow Republicans to use cultural issues as a proxy for class issues. Frank, sifting through the ashes of the Democrats' 2004 defeat, wrote recently in *The New York Review of Books*: "Conservatives generally regard class as an unacceptable topic when the subject is economics—trade, deregulation, shifting the tax burden .... But define class as culture, and class instantly becomes the blood and bone of public discourse .... Workerist in its rhetoric but royalist in its economic effects, this backlash is in no way embarrassed by its contradictions."

Kerry unfortunately played into this trap, both via his persona and his program. "Kerry's pallid strategy offered little to motivate the party's traditional liberal and working-class base,"



Looking to the Right? Kerry's competing economic messages canceled each other out.

Frank wrote. In the backlash narrative, Republicans could use Kerry's personal "elitist" traits—his windsurfing, fluency in French, and multiple mansions—to fill the vacuum left by the absence of a muscular economic appeal.

Ideological muddle on the Democratic side is reinforced by the lingering trauma of a governing party finding itself in opposition, but not quite accepting it. Despite the recent outbreak of party unity on Social Security, the Republican message machine keeps taunting Nancy Pelosi because upward of 40 House Democrats defected on the estate-tax repeal, the bankruptcy bill, and the assault on the right to sue. This faithlessness is reinforced by the temptation to throw the business lobbyists of K Street an occasional tasty bone; by the premise that Democrats should work responsibly with the president, either to make a bad bill slightly less awful or to share credit for legislation Bush can claim as popular; and by the urge to be "for" something legislative, even though they

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plainly lack the votes to do more than block.

Some of this also reflects the continuing and disabling legacy of Bill Clinton's triangluation at the expense of his own party. Just imagine George W. Bush cobbling together a winning legislative coalition working with Pelosi over the objections of Tom DeLay and a majority of the Republican House caucus, the way Clinton did on NAFTA and on welfare reform. It would be far better just to be the opposition party, oppose the Bush program frontally as Newt Gingrich did with Clinton, and then propose a broad and coherent Democratic program.

Clinton remains the great role model for a centrist governing party built on social, economic, and foreign-policy moderation. But Clinton may have been a unique specimen. As Borosage points out, "Clinton ran as a populist but governed as a centrist, and he left his own party in a shambles." Despite his reputation for political genius, Clinton had the fortune to win (with just 43 percent) in the three-way election of 1992, and to narrowly win re-election over the weakest Republican candidate in memory, Bob Dole, in 1996. The Third Wayers are also tarnished as faithless Democrats. With the congressional Democratic Party belatedly discovering the power of unity, New Democrats are the first to defect and vote with Bush.

In the 2004 election, dozens of Democratic members of the House and Senate ran 20 and even 25 points ahead of John Kerry, and not just because they had the power of incumbency.

In theory, either recipe could produce a governing coalition. But a resurgent Democratic Party built on progressivism would be more worth having. Economic progressives such as the late Paul Wellstone have won working- and middle-class support, often in improbable places. The hugely popular Bernie Sanders, very likely the next senator from Vermont, got elected and re-elected more by rallying the locals than the Birkenstock set. He is forgiven his lefty social views because he is seen as a champion of the economic interests of ordinary people. Like Bush, Sanders gets the respect that comes from people respecting his convictions even when they sometimes disagree. Conviction suggests character. Sherrod Brown, who represents a northern Ohio district that is partly blue collar and partly affluent suburb, found himself last fall with a friendly group of autoworkers that included both Kerry and Bush supporters. "Why are you backing Bush?" a Kerry man asked a Bush partisan. "Kerry wants to take away my gun," came the reply. "Well, Sherrod wants to take away your gun," gibed the first. "Yeah," said the second, "but Sherrod fights for me."

In the House, a few dozen Democrats such as Brown get elected and re-elected as economic populists. Why not more? On the Republican side, campaign professionals are part of the same movement culture. Many Democratic operatives, who frequently advise corporate clients in the off-season, think of their job as using polls to divine what the message is—or worse, to temper the candidate's own progressive gut impulses. Democratic consultants, says New York Congressman Maurice Hinchey, who wins as a populist in a conservative Hudson Valley district, often advise Democratic candidates to move right because they think that the country has moved right.

Another reason for the uncertain trumpet is the dynamics of candidate recruitment. When a prospective candidate comes before the Democratic Congressional Campaign Committee to seek possible help, the first request is to show financial viability—come back when you've raised a few hundred thousand dollars. A Democrat with business backing has a huge head start. The New Democratic Network raises several millions of dollars every election cycle to help centrist candidates. One heartening new development is a progressive countermovement, the Progressive Majority, a coalition launched by labor, environmentalist, civil-rights, pro-choice, and other grass-roots groups to recruit progressive candidates for office and offer help with money, media, message, and training.

WHERE DOES ALL THIS LEAVE THE liberal project? Actually, with a great deal of potential. Despite a quarter-century of ever more sophisticated and coordinated right-wing propaganda (lately abetted by the White House), most Americans are not religious absolutists or government-haters. Most are far more tolerant of racial, ethnic, religious, and sexual minorities than their grandparents were. Most accept the coming of age of women as equal citizens and economic beings. Most are skeptical of corporate excesses. Most actually want more from government—to ensure health insurance that can never be taken away, to give ordinary people a fair shake in the workplace, and to keep large corporations from pillaging the environment. Most still value traditional Social Security. All this reflects the residual strength, enduring values, and recent gains of liberalism, even if the liberal label is in disfavor.

Notwithstanding the caricature of an America hardened into implacable red and blue states with vanishing swing voters, easily a fifth of the electorate will consider voting for either party, given the right candidate. In 2004, dozens of Democratic members of the House and Senate ran 20 and even 25 points ahead of Kerry, and not just because they were incumbents. Democrats win in red states more often by being progressives than by being social conservatives or economic centrists. For every Evan Bayh there are two or three Byron Dorgans.

The Mountain West was the home of the pseudo-populist "sagebrush rebellion" of the 1980s, orchestrated by agribusiness and extractive industries. The West supposedly epitomizes an exurban exodus of socially conservative, swashbuckling voters who will guarantee perennial Republican majorities. But today the West is the center of a Democratic resurgence. Democratic governors in purple-state America—like Brian Schweitzer, Janet

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Napolitano, Bill Richardson, and Christine Gregoire—ran, won, and are governing as progressives. They may accommodate to their regional culture on some social issues, but they win by championing the economic struggles of ordinary citizens. Schweitzer assembled a coalition of environmentalists and farmers to win an ethanol bill, making extractive industries the enemy. Gregoire, despite a paper-thin victory, made retention of an estate tax a top priority. Elsewhere, the most likely next governors of the most populous states, Eliot Spitzer in New York and Phil Angelides of California, are flat-out progressives. Interestingly, both came to prominence—Spitzer as attorney general, Angelides as state treasurer—resisting corporate excess and fighting for ordinary people.

The Democratic National Committee, long dormant and broke between elections and a personalista arm of the presidential candidate in election years, is today doing serious politics and raising serious money. The election of Howard Dean as party chairman, with improbably strong support from red-state Democrats, again demonstrates how conviction beats waffling. The new funding for independent, progressive infrastructure will not match the resources of liberals' right-wing counterparts, but will allow more strategic development of progressivism as a politics and a progressive message to win a hearing.

Another piece of good news is that Democrats' schisms can be overstated. At the height of Iraq War fever, foreign policy seemed the most divisive issue. Yet during the Clinton presidency, there was no serious foreign-policy split between the Democratic center and left. In October 2003, the *Prospect* co-sponsored a conference and special issue (November 2003) on New American Strategies for Security and Peace. From Zbigniew Brzezinski to John Shattuck, Democratic foreign-policy experts agree on a program of security rooted in multilateralism and a far more competent defense of the homeland without wrecking civil liberty. Democratic hawks like Peter Beinart have called for a tough foreign-policy liberalism in the spirit of Harry Truman. But in truth, Clinton and Jimmy Carter were better friends of the prudent use of American power to expand democracy than Bush is, and no Democratic candidate or president would repeat Bush's brand of unilateralism. On economics, a broad program of social investment to help ordinary Americans thrive in a global economy, and give America energy independence and technological mastery, could unite progressives and Third Wayers [see "Starving for Your Job," page 71].

The cultural issues are admittedly harder. But the consensus position on reproductive rights emphasizes keeping abortion "safe, legal, and rare," as reflected in the rhetoric of Hillary Clinton and the strategy of Planned Parenthood to take the fight to the other side by challenging right-to-lifers to get real about sex education, birth control, and science. As the Terri Schiavo case showed, demonstrating respect for religious faith but resisting official government proselytizing, much less government takeover of bedside vigils, is definitely a majority position. Gay marriage may be the toughest issue of all. A consensus for mainstream America and most Democrats is likely to be domestic partnership for some time to come. Again, these issues loom smaller precisely to the extent that the Democrats have a persuasive pocketbook story.

But can Democrats lead? Can they move beyond a reflexive and disabling caution reinforced by ideological schisms and back-to-back election defeats? In the Schiavo affair, most Democrats waited days for polls to confirm their gut instinct that Americans rejected politicians who hear celestial voices meddling in intimate family matters. It is emblematic that Gore began giving eloquent, cogent speeches once he decided that he was not a candidate.

In both the 2000 and 2004 elections, the Gore and Kerry machines made sure that the candidate offered only relatively small-bore proposals and rejected populist rhetoric in favor of largely empty invocations of the middle class, as if those words were a politics or a program. It recalled that same *Saturday Night Live* parody of first George Bush Senior, who kept falling back on talking points from the briefing book ("Message: I care."). Kerry's advisers also made sure that John Edwards, who was added to the ticket partly because of his populist appeal, sandpapered off any progressive edge that might compete with the campaign's more cautious (and losing) tone.

By 1994, when movement conservatism was barely two decades old, Gingrich could dip into the armory of conservative ideas and fashion a 10-point "Contract with America." The contract not only signaled that the right had a coherent national program but that House Republican incumbents and candidates had a contract with Gingrich. Today, it's doubtful that the Democrats in Congress could agree on a 10-point program beyond platitudes. This is not the fault of Pelosi, who is as liberal and effective a Democratic leader as the House has seen. It reflects the fact that the caution is reflexive and that work still needs to be done to bridge the schisms.

These habits, however, are beginning to give way to greater gumption in the era of Pelosi, Dean, and Harry Reid, and the emerging unity for the most part is liberal unity. There is also new Republican vulnerability. If the conservative movement has given the modern Republican Party its strategic coherence, it has also created a tendency for the party to overreach and forget that the most activist base isn't the whole electorate. A movement of fundamentalists who want government to impose religion, in coalition with free-market zealots who detest government and foreign-policy radicals who want a huge and militarist government, is not a majority movement. By contrast, in their own heyday as something like a movement party, Democrats really did speak for a majority of ordinary people. A party built on Social Security is a more reliable rock than one built on evangelism and Enron.

The resurgence of liberalism and the Democratic Party, when it comes, will necessarily be grass roots as well as intellectual or professional. A new generation of think tanks and message machines can help, but in a democracy, the ultimate test is whether a program animates voters. Democratic candidates will shed their temporizing not when a linguistic expert gives them better packaging but when voters demonstrate that a muscular progressivism that addresses the plight of the common American is a winning politics. **TAP**

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The Liberal Project Now

Liberals need to remember their first principles, rebuild a majority, and connect to a new generation.

BY PAUL STARR

LIBERALISM IS AT GREATER RISK NOW THAN AT ANY time in recent American history. The risk is of political marginality, even irrelevance. And the reason is not just a shift in partisan control of the federal government. There has been a radical change in the relationship of ideology and power in America. Only by renewing both the principled commitments to liberal ideals and the practical basis of liberal politics does liberalism have any chance of recovery.

Fifty years ago, the *absence* of ideological divisions was widely thought to be one of the distinguishing features of American politics. Now our politics is rife with ideological conflict, as conservatives take their crusade to remake America deeper into liberal terrain. The issue is no longer, as it was in the earlier stages of conservatism's revival, merely a reversal of Great Society programs and the activism of the Warren Court. What's now under attack are such basic constitutional principles as church-state separation and an independent judiciary and such fundamental elements of modern liberalism as progressive taxation and Social Security.

The Democrats' loss of both Congress and the presidency is the immediate source of jeopardy to liberal principles and policies, but the revolution of contemporary Republicanism is the reason the switch in partisan control has had so great an impact. The Republicans have made themselves into a far more conservative party than they used to be, not just during the Eisenhower years but even during the 1980s. Under George W. Bush, the party has become more closely identified with its conservative religious base and more consistently devoted to dismantling the constitutional and fiscal underpinnings of liberal government.

When historians and social scientists in the '50s said American politics reflected an ideological consensus that was liberal at its foundations, it was the absence of any socialist challenge that they mainly had in mind. Conservatives weren't offering a clear ideological alternative, and the two major parties seemed to have only minor differences. For decades, even as a conservative challenge emerged and partisan differences widened, liberals had a partnership with power, or at least access to it. Liberalism stood for reform, but it wasn't oppositional: Liberals did not regard themselves as outsiders looking in on American politics from a hostile distance. As late as the 1990s, they had a friendly administration, a closely balanced Congress, and federal courts that offered a good chance of vindicating their claims.

Only in recent years—as Republicans have gained control of Congress and the executive branch, sought to bring the courts into line, and taken the conservative movement and its intellectuals into a governing partnership—have liberals faced the possibility of being totally excluded, not just from power but from any influence or access. And that loss threatens to make the enterprise of liberal reform, and even protest, seemingly irrelevant. For what point is there to reform or protest if power is not susceptible to persuasion, and perhaps not even to pressure?

The liberalism of the 1950s and '60s, in contrast, was both a governing and a reforming philosophy. Liberals had helped to fashion the domestic order created during the New Deal, and after World War II they had shaped America's internationalist commitments aimed at containing communist expansion and avoiding war. Liberals also aimed, however, to compel a government that espoused liberal principles to confront its own contradictions and limitations. That meant, among other things, dealing with the national shame of racial oppression, the persistence of poverty, the hidden problems of environmental degradation, and the threat of nuclear catastrophe.

The liberal project of the post–World War II era was to awaken the public to long-ignored problems, to make liberal government bolder, and to get its leaders to take political risks. In the public mind, liberalism was the innovative and outward-looking force in American politics; conservatism, the stodgy and parochial source of resistance. Under those circumstances, liberals had power to the extent that they could bring about change, while conservatives had power to the extent that they could stop it.

Now the relationships have been reversed, and liberalism risks getting defined, as conservatism once was, entirely in negative terms. Liberals certainly need to defend liberal accomplishments and oppose conservative measures, but they cannot allow themselves to become merely defensive and oppositional. That, of course, is how the right would like to cast them. The liberal challenge today is to avoid this trap, to make the case for

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liberalism's first principles, and to renew the project of liberal innovation. And in that effort, magazines such as this one—and intellectuals generally—have a useful role to play.

THE PROJECT AND THE *PROSPECT*

The early discussions about starting what became *The American Prospect* took place in the gloomy aftermath of George Bush Senior's defeat of Michael Dukakis in the 1988 election, a period that may hold some lessons for liberals now. The Democrats were failing to connect with their historic blue-collar and middle-class voters, or to defend their own convictions. Dukakis, who was unquestionably a liberal, refused to say so during the campaign, insisting that the election was about "competence," not "ideology."

There also seemed to be a void in intellectual leadership among liberal political journals. By the late 1980s, what had once been the major liberal magazines were either too far to the left to affect mainstream politics, like *The Nation*, or ideologically indistinct and ambivalent, like *The New Republic*. The writers who came together around the *Prospect*—some of them long associated with TNR—wanted to create a new journal of ideas that was forthright about its liberalism and that made its central concern the strategic refashioning of liberal policies and politics. In the prospectus that Robert Kuttner, Robert B. Reich, and I wrote in 1989, we identified ourselves with a long liberal tradition extending back to the Enlightenment and the American Founders, and emphasized that this tradition had grown to embrace new claims and adapt to new conditions. "The core of liberalism," we wrote, "is not an orthodoxy about policy, but a vision of a just society and self-governing democracy," and it was in that spirit that we wanted to "formulate new ideas of public improvement" and "reframe public discussion."

No doubt it takes an extravagant self-regard for a group of writers, especially for a small magazine, to imagine that they can influence the course of politics and intellectual debate. But ours was not an idiosyncratic project; it grew out of a wider sense that the liberal compass had been lost. A conversation about repairing the compass was already in progress among policy intellectuals and political strategists, and the magazine was a way of fostering that conversation, giving it a particular direction (different from, say, the one being promoted by the Democratic Leadership Council [DLC]), and opening it up to more participants and a wider public.

Then history intervened. By the time the magazine appeared in 1990, the dismal shadows of 1988 were starting to lift. Not only did the breakup of the Soviet bloc create a sense that a new era was beginning; as a practical matter, the end of the Cold War might also free up resources for domestic use. At the same time, global economic competition and a deepening recession were focusing attention on the economy, education, and soaring health-care costs, and giving a sense of urgency to domestic reform.

The liberal project of the 1990s, as we understood it, took shape under these influences. The central task in this project was to formulate a program that could realize liberal aspirations for a fair, free, and prosperous society under radically changed economic and social conditions. Those conditions included a globalized economy, a wave of technological innovation, and rising income inequality. Our writers were given neither to the free-market triumphalism dominant among conservatives, nor to the protectionist impulses of some on the left (though some critics may have thought so). Rather, the emphasis was on educational reform and public investment to enable Americans to compete successfully, and on international agreements covering labor and environmental standards to prevent the undermining of hard-won achievements in those areas. Health care had emerged as a major issue, not only because the United States remained the only advanced country without universal coverage but also because health costs were a growing burden on American business and a primary source of the federal deficit. The aim was to fuse an extension of health coverage with new methods of cost containment to address both sides of the problem. More progressive tax policy (including a boost in the Earned Income Tax Credit [EITC]), a higher minimum wage, and enforcement of labor laws, along with universal health insurance, would help to offset the trend toward greater inequality. The *Prospect*'s writers generally supported more of a role for government in achieving these ends than the DLC did.

The central task in the 1990s was to formulate a program that could realize liberal aspirations for a fair, free, and prosperous society under radically changed economic and social conditions.

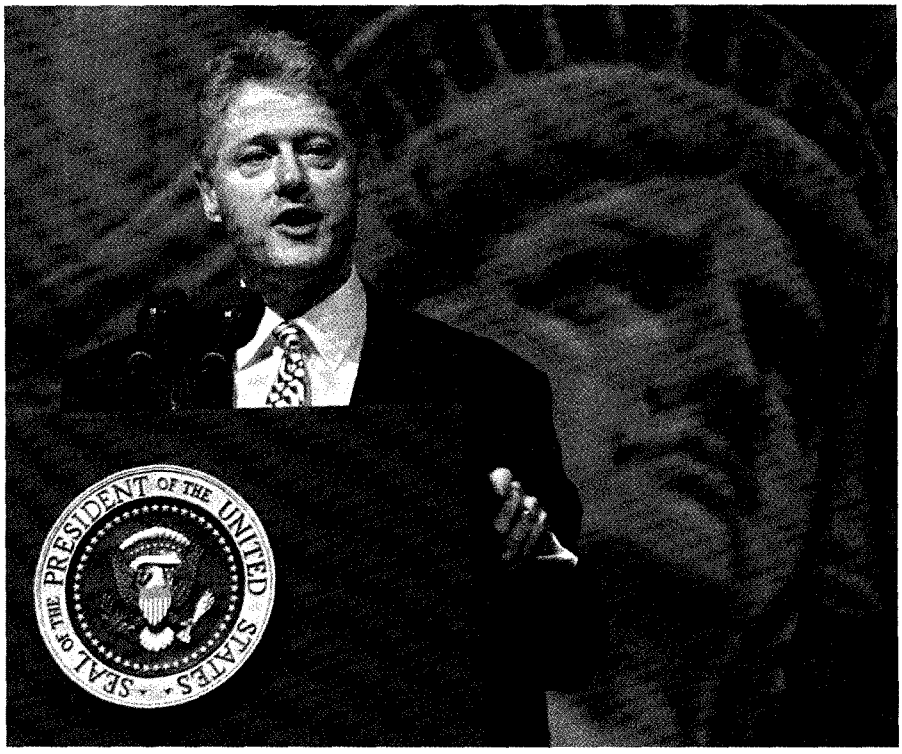
Nonetheless, we were also concerned to get liberalism out from under the political burdens of the '60s, which had blurred the distinction between liberalism and the radical left and created uncertainty about liberals' patriotism and "family values." The choice of the word "American" in the magazine's name was a deliberate decision to identify ourselves with this country's tradition and future; curiously, some people assumed at the beginning that a publication presenting itself as "American" must be right wing. ("Prospect" became part of our identity when I had given it to our lawyer for incorporation purposes; it's the name of the street where I live.) We also wanted to move away from the identity politics that had fragmented the wider progressive community and alienated many others. Yet there remained a legitimate unfinished agenda of racial justice, feminist reform, and other aspects of human rights, and unlike the conservatives or the communitarians, we were not interested in repudiating the "rights revolution."

Although there was much debate about how to pursue that unfinished agenda, we put particular emphasis on the kind of

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progressive, universal, "race-neutral" policies that the New Deal had established. "We have no sympathy with anyone who wants to give up on the cause of racial justice," we wrote in the prospectus. "That sort of solution to the political problems of liberalism would come only at the price of its soul. But in the interests of a multiracial society, liberals must look for policies and approaches that unify their natural constituencies, white and black, by stressing interests that cut across race." Progressive tax, labor, health-insurance, and public-investment policies all fit this description. In Stanley B. Greenberg's formulation, the aim was to create a "bottom-up coalition" around a broad-based politics that would encompass the have-nots but center on middle-class values and interests.

If much of this sounds like the 1992 Clinton campaign, it's not accidental. Several of our editors and writers, most prominently Reich [see page 28] and Greenberg [see page 27], joined the Clinton campaign and played a role in the administration, particularly at the beginning (much less so after 1994). I was involved in developing the Clinton health plan, taking leave from my university and the magazine during 1993 to work in the White House. The failure of health reform was sobering; we tried to do too much at one time and would have been wiser in the administration's first year to have sought a major expansion of coverage under existing law, as part of the budget, rather than to propose new structural arrangements. The inability of a Democratic Congress to make any progress at all on health care was politically devastating.



Clinton's Lesson: He showed how to put the policy and politics together.

But much else did work out. By increasing both the EITC and the minimum wage, as well as raising taxes on the top brackets, Bill Clinton countered the trend toward inequality instead of exacerbating it, as Republican policies had done before and have done since the Clinton years. And contrary to the dire conservative predictions at the time of the 1993 budget and tax increase, the economy did not collapse; the United States entered one of the most sustained eras of prosperity in its history. All groups did well, but median incomes grew faster for blacks and Hispanics than for whites, and the number in poverty dropped by 6.4 million under Clinton compared with just 294,000 during Ronald Reagan's eight years.

For all of Clinton's limitations, his presidency also defused tensions over race, affirmative action, and welfare, and left a budget surplus going into the 2000 election that Al Gore might have turned toward progressive purposes if Florida had ended differently. In the wake of the 1988 election, liberal politics had seemed a nearly hopeless enterprise, but the ideas and strategies that the *Prospect* had some part in advancing helped to give liberal policies another life. That Whitewater, Monica Lewinsky and Kenneth Starr, and Bush's Electoral College victory in 2000 derailed and defeated so much of the agenda ought not to obscure what was right about those ideas, then and now.

THE NEW PROJECT

America is never kind to losers, and losers in America are rarely kind to themselves. In the wake of every recent electoral defeat, Democrats have turned on their candidates and one another in what has become a familiar ritual. The well-aimed recrimination fulfills a psychological function: Pin the blame on the candidates' personalities, the campaign strategy, the influence of a competing faction, or even your own mistakes and you don't have to acknowledge how deep the party's problems are. True, Democrats have lost the last two presidential races narrowly, but they have now lost Congress decisively. Beneath those losses are historic changes, including the reaction against the equal-rights revolutions on behalf of blacks, women, and gays, the decline of the unions, and the integration of conservative churches into the Republican Party. For decades Democrats used the advantages of incumbency to offset Republican business support; now the Republicans have both, and a party system that was roughly balanced has passed a tipping point.

Today there is a Democratic project and a liberal project, and it is a mistake to confuse them. The once-sturdy Democratic congressional majority disappeared with the loss of southern and western seats that were typically not held by liberals in the first place. Rebuilding a Democratic majority will require a broad and inclusive politics and the acceptance of ideological diversity within the party. As the Republicans support centrists who can win in the blue states, so Democrats—including liberals—will have to support centrists who can win in the red states. Some say the Democrats need only the courage of their

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convictions to tap a deep well of progressive sentiment, but if there is a latent national majority for that kind of pure and unadulterated liberal politics, it has kept itself well hidden for a long time. The more realistic goal is a government that is responsive to liberal influence on foreign and domestic policy and committed to the constitutional principles in force since the late 1930s.

The liberal project now is at once programmatic, organizational, and intellectual. The central aims of American liberalism remain what they have always been: to realize the ideals of liberty and equality in a prosperous and secure nation. But the project is different for a liberalism cut off from power. Whatever the cause of liberals' loss of public confidence, they have to earn it back by showing how liberal ideas make sense for America. They have to speak to people who think liberals haven't shown any concern for them. Critics such as Tom Frank argued that the way to make that connection and break up the Republican coalition of the rich and the religious is through a revival of populism. But, as much as Bush's policies deserve to be attacked on grounds of bias toward the rich, liberals ought to be wary of a politics of resentment. Populism has always been a political dead end in America. Without trimming their criticism of Bush, liberals have to make the case for economically progressive policies chiefly on the basis of the nation's shared interests and common future.

One way to do that is to focus on young people starting to make a life of their own. So much of current social spending—and the current political debate—gets consumed by old programs for older people that it's no wonder the young don't feel any direct and immediate stake. But that's not how it always was. After World War II, the GI Bill and widespread collective bargaining, which gave young workers the same benefits as older ones, provided a great boost to the generation that's now called the "greatest."

Young people today need the functional equivalent; many of the forces now affecting the economy come to bear hardest on them. The unemployment rate among young workers is much higher than among older ones. For most jobs with a middle-class standard of living, college is essential, but the cost is growing much faster than inflation. The escalation in housing prices may be a bonanza for many homeowners, but it raises a big hurdle for first-time homebuyers. The decline of jobs offering health insurance and pensions makes it difficult for the young to achieve the kind of security their parents enjoyed, but even some companies that offer benefits have introduced two-tier benefit systems that shortchange new employees. Young parents typically need two incomes, but virtually nothing has been done to alter the workplace and make other changes that would help them fulfill their responsibilities for raising their children.

To meet these and other needs, liberals ought to do more than just propose a grab bag of policies aimed at young people; they ought to crystallize their concerns about America's future by developing a "Young America" program as a central theme. It may be objected that young voters don't turn out to vote. But the young are not a special interest. For one thing, parents also worry about how their kids will be able to make a living and a life. Besides, a politics that addressed the young might get them to turn out. The idea of a Young America program also ought to suggest something more: a return to an earlier conception of America as a young nation, capable of great things. Liberals cannot leave that kind of national vision to the right; they ought to argue that an increasingly unequal America that exposes so many of its young to poverty and insecurity cannot be the strong and prosperous nation all Americans want it to be.

Liberals were initially slow to respond, in any organized way, when conservatives in the '70s began building their own think tanks, journals, training academies, and eventually talk-radio stations and cable channels. The right's strategists read the situation at that time correctly. Rather than rely on established institutions, which at the very least couldn't be counted on to disseminate their views, they knew they had to create their own dedicated counter-establishment. With conservative ideas now dominating American politics, liberals confront the same challenge in putting before the public an alternative conception of the country's problems, and, belatedly, liberal strategists have come to see the logic of building a countervailing institutional network.

The more fundamental the challenge liberals face, the greater is the need to explain the grounds of liberal commitments and to give Americans good reasons to make those commitments their own.

The founding of *The American Prospect* 15 years ago was an early and small step in this wider endeavor. The circulation even of successful political magazines is limited, however, and if they have any impact, it is usually more on opinion leaders than on the public at large. Some liberals are today understandably interested in shaping popular opinion and mobilizing support in more direct ways. And some just want to defeat conservatives rather than enter into an argument with them.

But, though it may seem a quaint notion, a journal of ideas rests on the premise that there is a debate worth having with the other side. Sometimes the debate is about policy, or about facts, or about the definition of problems, or about the story of America and its interpretation. The debate now involves matters of fundamental principle, and it calls for liberals to think more deeply about what they believe. The more fundamental the challenge liberals face, the greater is the need to explain the grounds of liberal commitments and to give Americans good reasons to make those commitments their own. This is what "values" are also about. If we are looking for a way back to power, there is one place we must go. Liberalism's power begins within. **TAP**

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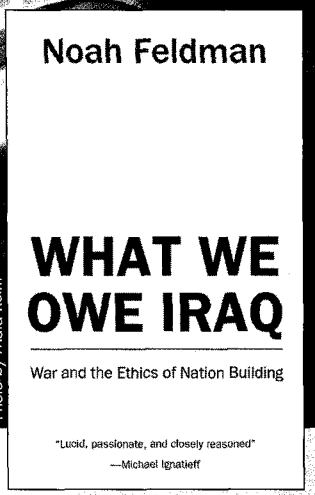
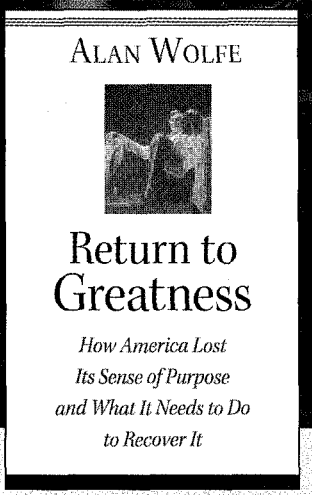
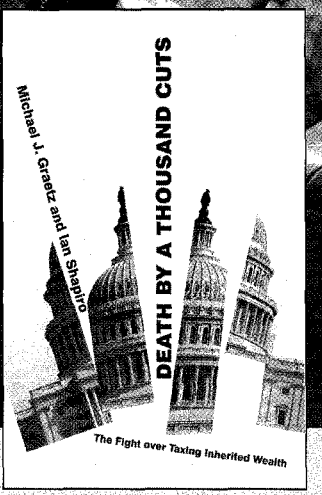


Photo by Maia Reim

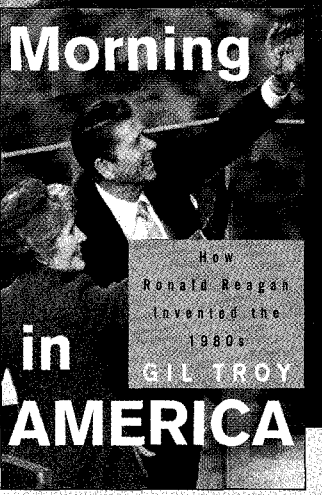
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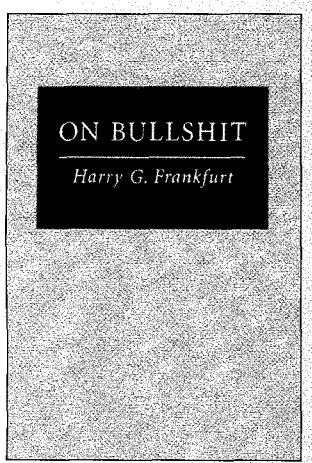
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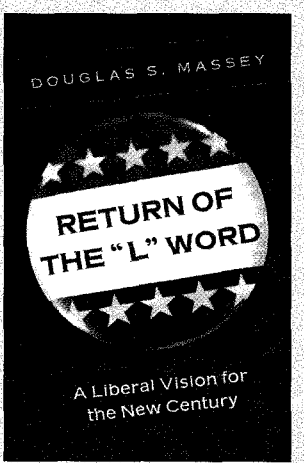
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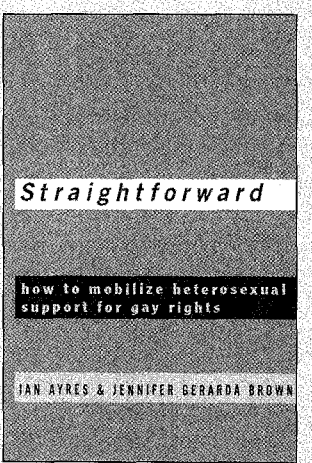
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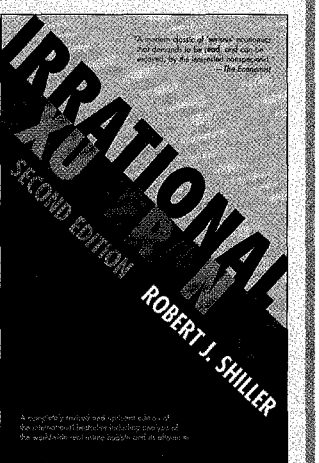
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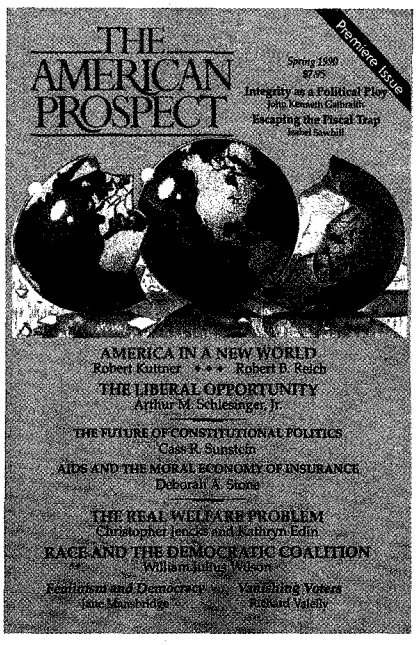
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LITTLE MAGAZINE, BIG IDEAS

The American Prospect began with a small circulation and great ambitions. Our aim was to rethink ideas about public policy and politics and thereby to restore plausibility and persuasiveness to American liberalism. The first issue appeared in spring 1990, a historical moment in some respects like today: Democrats had lost successive presidential elections, there was a George Bush in the White House, conservatives were pushing schemes for privatization, and liberals were in disarray.

But in 1990, Congress was still in Democratic hands, the Cold War was coming to an end with the Soviet collapse, and the focus of politics was turning from foreign to domestic policy. Rising economic anxieties, it seemed, might spur political change just as a "peace dividend" could finance new initiatives. By historic good fortune, the *Prospect* had arrived at a time not only of global change but of "liberal opportunity," as Arthur Schlesinger Jr., called it in the first issue, which carried a cover image of an old world cracking open to reveal a new world born within.

The central preoccupation of the *Prospect* in its first years was how to realize the promise of the moment. The prescriptive focus of the magazine—what policies were needed to generate economic growth? to reduce inequality? to protect the environment? to provide universal health coverage?—reflected an under- »

For 15 years, The American Prospect *has featured the analyses, arguments, and animadversions of some of the most discerning liberal writers in the country. We've asked nine of them to go back and take another look at articles they published in our pages as far back as the first issue, in spring 1990. Have they changed their minds? Do they still believe the available evidence supports the position they took? Perhaps it's not surprising that many of them say, "On second thought ... I was mostly right!" If you want to check out the originals, they're all online at www.prospect.org.*

1990

Welfare Then and Now

BY CHRISTOPHER JENCKS

WELL BEFORE BILL CLINTON pledged to "end welfare as we know it," the first issue of *The American Prospect* included a long article by Kathryn Edin and myself [see "The Real Welfare Problem," Spring 1990] urging liberals to rethink welfare. Our argument rested on two facts. First, both Edin's research and national surveys showed that single mothers seldom survived on welfare alone. Most made ends meet by getting additional money under the table. Second, this was no recent development. Welfare benefits had *never* been adequate to support a family. Politically, we argued, a society in which most middle-class mothers worked was unlikely to offer poor mothers enough money to support a family without working. The alternative was to increase the rewards to work—with a more generous Earned Income Tax Credit for low-wage workers with children, plus subsidies for child care and health expenses.

Two years later, Clinton was elected and set out to end welfare and "make work pay." But while he persuaded Congress to expand the Earned Income Tax Credit in 1993, his plan for universal health insurance failed, and welfare reform was postponed. Republican control of Congress in 1994 produced a far more punitive approach. In the law that Clinton reluctantly signed in 1996, job guarantees disappeared, work requirements became more stringent, and subsidies more meager. Instead of creating a new regime that ensured working mothers adequate income, the new welfare law seemed mainly concerned with dismantling the supports. Most liberals, including me, thought this was a mistake.

Fortunately, we were too pessimistic [see "Liberal Lessons From Welfare Reform," TAP, July 2002]. The number of families receiving welfare fell from almost 4.5 million in 1996 to 2 million in June 2003. But poverty among single mothers fell from 42 percent in 1996 to 33 percent in 2000. Declines in the welfare rolls left states with more cash to subsidize child care and expand Medicaid coverage. Unemployment rose from 4 percent in 2000 to 6 percent in 2003, but even then the poverty rate among single mothers only rose from 33 percent to 36 percent. In 1994, when unemployment was also 6 percent, poverty among single mothers had been 44 percent.

The spread of single motherhood has also slowed dramatically. Between 1980 and 1995, the percentage of families with children headed by a married couple fell by almost 0.5 percentage points a year. The hourly wages of poorly paid men rose faster than inflation between 1995 and 2003. Children's chances of growing up with both of their biological parents are probably still falling, but not as fast as one might have expected before 1996. The lesson, I think, is that the old welfare system was so awful that even the relatively punitive reforms enacted in 1996 made the average single mother a little better off. Of course, a less punitive system would probably have improved her lot even more. **TAP**

Christopher Jencks *is the Malcolm Wiener Professor of Social Policy at Harvard University's John F. Kennedy School of Government.*

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1991

How We Found—and Lost—a Majority

BY STANLEY B. GREENBERG

Stanley B. Greenberg's Fall 1991 article, "From Crisis to Working Majority," was widely considered a key manifesto for the 1992 Clinton campaign. Bob Woodward reported that Bill Clinton said he had read it three times.

On the eve of Bill Clinton's announced candidacy for president, I reviewed a wave of provocative books about the "deepening crisis of the Democratic Party." With Michael Dukakis' hapless campaign as backdrop, the books described a party of taxes and big government, entrapped by special interests, perhaps condemned to a permanent minority status.

But wide swaths of middle America, including the Reagan Democrats, were looking for a way back. "A bottom-up Democratic coalition," I wrote, "can win back its majority if it rediscovers the values and interests of middle-class America; if it fashions a broad-based class politics and critique of the Reagan-Bush era; and if it learns from important recent progressive works a renewed commitment to politics and national purpose." Progressives, I argued, needed to transcend welfare politics to become "inclusive and self-consciously pluralistic," and use politics to achieve broad gains on health care, education, tax fairness, and American leadership. The starting point and bottom line was "the rediscovery of the forgotten middle class."

Four presidential elections later, the Democrats are the party of fiscal responsibility and economic competence, no longer seriously encumbered by fear of crime, taxes, and welfare. They are also the champions of tolerance and rights who have celebrated America's diversity as its special strength. The party has learned how to compete in the suburbs, and in each recent election, it's *almost* won.

Which is to say, the Democrats have lost. In fact, they've lost the middle class, most of Main Street, and rural America, leaving their coalition far short of a national majority. In 2004, John Kerry lost white voters without a college degree by a 23-point margin (61 percent to 38 percent), exceeding Al Gore's 17-point loss. He lost the white rural counties by 31 points, after Gore had lost them by 29 and Clinton by 9.

In the end, the Democrats forgot the middle class. Except for a few years in the late '90s, middle-class incomes have remained stagnant through the Clinton and Bush Junior presidencies, and the country as a whole has grown more unequal. Democrats have been unable to address job losses in manufacturing and rising health-care costs.

Democrats must put middle-class interests and values at the core of what they do.

And just as Republicans exploited racial fears against Dukakis, they have exploited cultural worries and used guns, gays, and abortion to drive families of faith away from Democrats. The problem isn't new. "Democrats cannot win over the average family," I wrote in 1991, "unless there are some limits on the party's moral agnosticism. In particular, a new class politics requires Democrats to defend the principle of reward for work and the social and moral worth of a strong family."

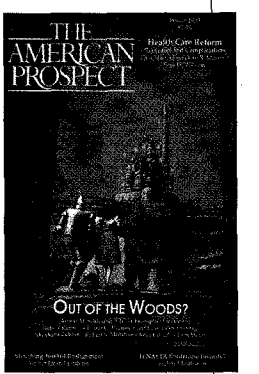
The Democrats will get back their majority only when they put the interests and values of the middle class at the core of what they do. TAP

***Stanley B. Greenberg** is a pollster and the author, most recently, of* The Two Americas: Our Current Political Deadlock and How to Break It.

lying optimism that political power was within reach. And so it proved to be: Several of the *Prospect*'s editors and writers became involved in the Clinton campaign and, in quick order, went from serving up ideas to serving in a new administration.

From the outset, the *Prospect*'s articles about public policy were often closely tied to a central political concern: the creation of a durable liberal majority. For example, when William Julius Wilson wrote about "Race-Neutral Policies and the Democratic Coalition" in the first issue, he was trying to formulate a politically feasible strategy for achieving liberal aims. A frequent theme was how to shape a program to win back the "working middle-class," including the "Reagan Democrats" [see Stanley B. Greenberg, "How We Found—and Lost—a Majority," this page].

While some articles sought to dissect conservative policies and "reframe the debate," many others addressed disputes among liberals. Several early cover stories, for example, posed issues in the form of questions: "Should We Compromise on Abortion?" (Walter Dellinger, 1990); "Should Foreign Ownership Matter to U.S.?" (Robert B. Reich and Laura D'Andrea Tyson, 1991 [see pages 28-29]); and "Have Rights Gone Wrong?" (Benjamin R. Barber's "The Reconstruction of Rights," 1991). Gene B. Sperling debated Cass R. Sunstein on whether social-reform movements were too reliant on courts. The magazine also ran conflicting views on the Gulf War, affirmative action, and health-care reform.



"Mend it, don't end it" could have been the magazine's prescription for much of political legacy of the 1960s and the Great Society. Several articles, such as Karen Paget's discussion of "Citizen Organizing: Many Movements, No Majority" (1990), criticized the political balkanization of issue-based organizing and identity politics and called for a renewed effort at building an electoral majority. Echoes of the same argument still reverberate. »

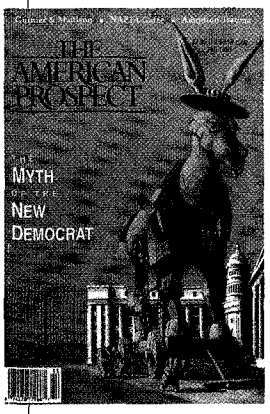
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Besides articles about specific issues, the first years of the *Prospect* also featured more general discussions of "first principles" by Stephen Holmes ("The Liberal Idea," 1991), Jane Mansbridge ("Feminism and Democracy," 1990), and the editors of the magazine (Paul Starr's "Liberalism After Socialism," 1991, and Robert Kuttner's "The Poverty of Neoliberalism," 1990).

The *Prospect* began as a quarterly, based in Princeton, New Jersey, with a paid circulation of 2,700 and a paid staff of two. The magazine moved to the Boston area in 1992, and it began publishing bimonthly four years later, when its circulation reached 12,000. By 1999 the circulation had doubled to more than 24,000.

Even as our founding chairman, Reich, was on leave as Bill Clinton's secretary of labor, the *Prospect* was often a critic of the administration. The magazine featured articles calling for more emphasis on public investment, a more assertive trade policy than Clinton supported, and a more accommodating monetary policy than Alan Greenspan was following [see James K. Galbraith, "Boasting on Demand," page 31]. Some pieces such as Jeff Faux's "The Myth of the New Democrat" (1993) criticized the Democratic Leadership Council, while Richard Rothstein's "The Left's Obsessive Opposition" (1993) chided liberals for being too hard on Clinton.

Welfare reform brought out the *Prospect*'s ambivalent view of the administration. From its first issue, the magazine had published articles by Christopher Jencks and others critical of the welfare system [see "Welfare Then and Now," page 26]. A common thread was support for an alternative that "rewarded work" through the Earned Income Tax Credit and a higher minimum wage, while also guaranteeing health insurance and child care. But in 1996, when Clinton's compromise with the Republican Congress omitted key ele- »



1992

As I Predicted, Only Worse

BY ROBERT B. REICH

In December 1992, according to Bob Woodward's The Agenda, *President-elect Bill Clinton was about to announce Laura Tyson's appointment as chair of the Council of Economic Advisors, when Tyson mentioned she and Robert Reich had debated in* The American Prospect *whether the nationality of a firm was important. Suddenly recalling the debate, Clinton said, "You know what? You were right, and [Reich] was wrong." So we decided to ask them now: Bob Reich, were you wrong? Laura Tyson, were you right?*

FOURTEEN YEARS AGO, IN AN ARTICLE in the *Harvard Business Review* and a subsequent debate with Laura Tyson in these pages [see "Who Do We Think They Are?" and "They Are Not Us: Why American Ownership Still Matters" Winter 1991], I contended that large American corporations were losing their national identity by employing people and attracting capital globally. Because we couldn't count on American companies to invest in the productivity of American citizens, we had to rely increasingly on public investment.

Tyson thought the trend wouldn't occur nearly as quickly as I claimed. Besides, she argued, we needed American-based companies to keep America's lead in technology and national defense.

With all due respect to my colleague in the Clinton administration, I think my prediction, if anything, was understated. Toyota is now the second-largest car manufacturer in the United States. Chinese factories account for a large and growing percentage of the manufacturing for American companies, whose back-office work and software design are increasingly done in India. The Commerce Department says 48 percent of U.S. imports are from U.S. companies' operations abroad.

None of this is a serious problem for professional, college-educated Americans—yet. But a majority of the American workforce is stuck in the local service economy as retail and restaurant workers, hotel and hospital assistants, janitors, cab drivers, child- or elder-care workers, and other low-wage laborers with scant health benefits. The public investment to make ordinary Americans more productive never materialized. Public investment is a lower percentage of the national economy today than it was in 1991.

Fourteen years ago I failed to understand the political logic of my argument. Big American-based corporations, becoming less dependent on the productivity of Americans, would use their muscle to reduce taxes, thereby preventing the needed public investment. I didn't anticipate that conservative Republicans would run up massive budget deficits under the two Bushes in order to make it virtually impossible for the federal government to do much except wage war. And I never imagined that Democrats could be so timid as to let them get away with it.

During the four years I was Bill Clinton's secretary of labor, from 1993 to 1997, the administration was unable to increase public investment. It had to cut the budget deficit it inherited so that Alan Greenspan and his colleagues at the Federal Reserve, plus bond traders on Wall Street, would feel confident enough to reduce interest rates. But even when the economy soared in the late 1990s and deficits turned into large surpluses—that is, even when we could afford it—Clinton and the Democrats were reluctant to push an investment agenda. Instead, they admonished Congress to "save Social Security first," a stopgap strategy that left the surpluses on the table. That gave George W. Bush the trillions of dollars he needed to cut taxes on the rich before plunging the federal budget back into deficit.

The rest is history. And unless we reverse course and make the needed investments, American workers—even the college-educated—will be history, too. **TAP**

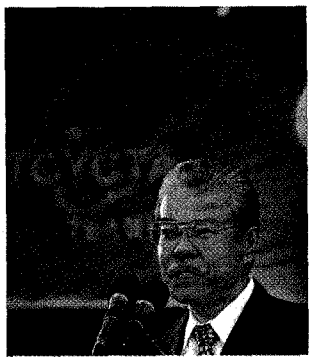
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1992

A Kinder, Gentler Globalization

BY LAURA D'ANDREA TYSON

In my debate with Robert Reich, I made two main arguments. First, the competitiveness of the American economy is linked to the competitiveness of American multinational companies. Second, economic policy should focus on maintaining America's position as an attractive location for high-wage production by both domestic and foreign companies. Since then, the number of U.S. manufacturing jobs has plummeted; the U.S. trade and current account deficits have exploded; and improvements in information technology have enabled offshoring to low-wage locations. But my two basic arguments hold.



Get Used to It: Toyota comes to West Virginia

American multinationals still account for about 25 percent of the gross domestic product and more than 20 percent of total employment. Despite their extensive and growing foreign operations, these companies remain decidedly American in their production, capital spending, and employment. In 2001, 77 percent of global production, 79 percent of global capital spending, and 74 percent of global employment by U.S. multinationals occurred at home. The at-home shares for production and capital spending were just about the same as in 1977, while the at-home share of employment was somewhat higher then, at nearly 78 percent. Between 1991 and 2001, American multinationals added about 5.5 million jobs for American workers.

Reich is right that American corporations are expanding foreign operations and sucking imports into the United States, but wrong to conclude that American companies—even truly multinational ones—are losing their American identity. For the foreseeable future, the ability of the American economy to create good jobs for American workers will continue to depend on the competitiveness of American companies.

Globalization is here to stay, but rapid globalization only confirms the basic policy conclusion, which Reich and I share, that the overarching goal of U.S. economic policy should be to enhance the competitiveness of the U.S. economy as a place for global companies—domestic or foreign—to locate high-wage activities.

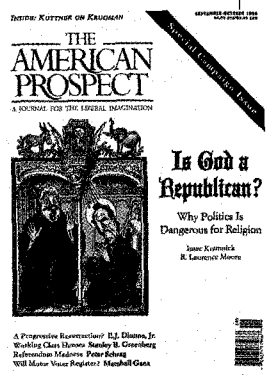
First, the United States must dramatically increase national saving. The trade and current account deficits have exploded since 2001, not because American companies have gone on an offshoring binge but because the gap between what America spends and what America produces has jumped.

Second, the United States must invest more in its workforce, transportation, utilities, and communications infrastructures, and its research base—the most important immovable assets on which national competitiveness depends. The Bush administration's economic agenda, driven by large tax cuts for the well-off, fails spectacularly on both counts.

Given the growing disparities in wealth and income in the United States, perhaps the critical "who is us" question is not whether the U.S. economy will reap aggregate benefits from globalization—I am firmly convinced that it can and will given the right domestic policies—but how these benefits will be shared among American workers and their families. TAP

__Laura D'Andrea Tyson__ is dean of the London School of Business. She was President Bill Clinton's chief economic adviser.

ments of this program, the *Prospect* provided a platform to critics who had left the administration, such as David T. Ellwood and Mary Jo Bane. Later articles, however, acknowledged that welfare reform had worked out better than expected, though serious problems remained.



The uncertain health of American democracy was a continuing theme during the '90s. Robert D. Putnam's "The Strange Disappearance of Civic America" [see "The Civic Enigma," page 33] provoked a notable debate in our pages that included Theda Skocpol, Michael Schudson, Andrew Greeley, Kay Lehman Schlozman, Henry E. Brady, and Sidney Verba. We also ran frequent discussions about money, politics, and campaign-finance reform, including the magazine's first investigative pieces by Robert Dreyfuss—the beginnings of a turn toward reporting and narrative. Marshall Ganz's "Motor Voter or Motivated Voter?" (1996) and other articles addressed the practical question of what needed to be done to raise turnout.

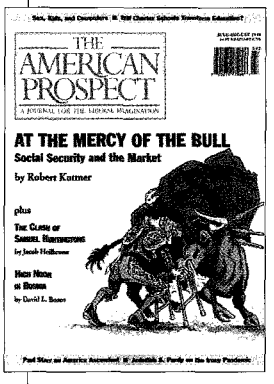
Another recurrent theme has been what markets can and cannot be trusted to do. In the first issue, Deborah Stone's "AIDS and the Moral Economy of Insurance" took AIDS testing as a point of departure to explore inherent problems in private health insurance. Sunstein defended the use of market incentives in "Remaking Regulation" (1990), while other articles criticized airline, financial, and electricity deregulation, as well as proposals for privatizing Social Security and the public schools.

Education received frequent attention in our pages during the mid-'90s, particularly in writings by Rothstein, Peter Schrag, and Howard Gardner. In "The Myth of Public School Failure" (1993) and other pieces, Rothstein emerged as a passionate defender of public education and a powerful critic of the dubious data proffered in support of school vouchers. Schrag, who has contributed more than »

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30 pieces to the *Prospect*, wrote brilliantly about the politics of education in such articles as "The New School Wars: How Outcome-Based Education Blew Up" (1995).

Sexuality, gender, and the family also provided a focus of debate amid the "culture wars" of the mid-'90s. On the one hand, writers such as Sara McLanahan ("The Consequences of Single Motherhood," 1994) left little doubt that children were better off with two parents. On the other, Arlie Hochschild in "The Fractured Family" (1991) and Arlene Skolnick in "The New Crusade for the Old Family" (1994) rejected conservative nostalgia as a basis for policy. In "Will Class Trump Gender?" (1996), Wendy Kaminer, a longtime writer for the magazine, dissected the free-market "women's libertarianism" of an elite group of right-wing women. Jane Mauldon and Kristin Luker examined right-wing attacks on sex education in an article with the memorable title "Does Liberalism Cause Sex?" (1996).



In 1995-96, the *Prospect* created a one-year assistant-editor position that grew into our writing-fellows program. Our goal was to train progressive journalists in public affairs in the hope that they'd go on to distinguished careers. We count among our alumni Jedediah Purdy, author of the acclaimed book, *For Common Things*; Nicholas Confessore, now at *The New York Times*; Joshua Micah Marshall of TalkingPointsMemo.com; Jonathan Chait, Jason Gray Zengerle, and Richard Just, all at *The New Republic*; Mark Greif, editor of the new *n+1*; Laura Maggi, at *The* (New Orleans) *Times-Picayune*; and Drake Bennett, at *The Boston Globe*, as well as Noy Thrupkaew and Chris Mooney, freelancers who continue to write for the *Prospect*. Scott Stossel and Joshua Green, now of *The Atlantic*, Jonathan Cohn of *The New Republic*, and David Callahan, author of three public-affairs books, also worked for the *Prospect* early in their careers. »

1992

Staircase to Nowhere

BY PAUL KRUGMAN

BACK WHEN I WROTE "THE RICH, the Right, and the Facts" for *The American Prospect* in September 1992, I was trying to get two ideas across: The middle-class society of the postwar era was unraveling, and the right was lying about it.

It was a very straightforward exercise. My favorite figure was the graph showing how the postwar "picket fence" chart of widely shared growth had turned into a "staircase" of rising income inequality. And all I needed was a bit of elementary statistical analysis to demonstrate the falsity of the various obfuscations the right was offering.

I thought officials in the first Bush administration were dishonest; today, they look like Boy Scouts.

How did it all turn out? Those of us who warned about inequality and right-wing dishonesty circa 1992 have been completely vindicated on the facts: Both the unraveling and the lies have gone even further than we imagined. But we've lost all the political battles.

At the time that I wrote that piece, Bill Clinton was using income distribution pretty effectively as a campaign theme. There was also quite a bit of genuine populist outrage over corrupt businesspeople and their political friends. So it seemed reasonable to expect a political realignment something like the one that happened in Britain under Tony Blair (pre-poodle)—a public demand for a reinvigoration of the welfare state, financed by a return to progressive taxation.

In fact, during the recent U.K. campaign, the *Financial Times* printed graphs identical to those I used in the *Prospect* article, showing exactly the reverse trend: Thatcher's staircase gave way to Blair's picket fence.

But it didn't happen here. The Clinton health-care plan crashed and burned, the DeLay Republicans took over Congress, and under George W. Bush ... well, you all know about that.

The result was that everything I wrote about in 1992 is far more extreme today.

Compared with 1970, America in the early '90s looked radically unequal; from today's vantage point, it looks positively egalitarian. In 1992, it seemed shocking that the ratio of the paychecks of the top 100 CEOs to the earnings of the average worker had gone from about 40, the postwar norm, to 200. By 2000 that ratio was up to 1,000; it slumped to 500 when the stock bubble burst, but it's headed up again.

At this point, income inequality is right back where it was in the 1920s. Just about all that's left of the New Deal legacy is Social Security—and they're trying to get rid of that, too.

Meanwhile, I thought officials in the first Bush administration were dishonest about economics; these days, they look like Boy Scouts. In 1992, it seemed shocking that the administration was trying to pretend that the obvious increase in inequality wasn't happening. But these days we have a White House pretending that a tax cut—whose main components are ending the inheritance tax, cutting the top marginal rate, and reducing taxes on dividends—is somehow aimed at helping ordinary working people.

At this point, the important question is political: What will it take to wake people up? **TAP**

Paul Krugman *is an economist and a columnist for* The New York Times.

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1994

Boasting on Demand

BY JAMES K. GALBRAITH

"Are we really on a cliff by the sea, poised perilously above the waves and the rocks? Or are we in fact down by the beach, on a gentle slope of soft and agreeable sand?"
"Can't We Go Faster?"
TAP, *September 1997*

I CLAIM THE BEST RECORD OF ANY economist to survive the 1990s, now that William Vickrey and Robert Eisner have passed on. In *The American Prospect* in 1994 [see "The Joys of Recession," Winter], and again in 1997 [see "Can't We Go Faster?"], I urged my fellow economists to shed their fears of full unemployment and low interest rates. Few did. But then Alan Greenspan began to behave as if he had, on the sly, been reading the *Prospect*. Having worried the world with a preemptive strike against inflation, Greenspan stopped worrying. He froze the interest rate, allowed strong growth, and drove the economy to full-employment prosperity for the first time in almost 30 years.

Nothing bad happened. Inflation did not rise. Instead, as Eisner had foretold, productivity growth rose, permitting higher output and higher wages without rising prices. As tax revenues surged, the federal budget deficit disappeared, momentarily, by the decade's end.

The millennium ended gloriously; economists scrambled to catch up. Why hadn't inflation run away? Alongside Greenspan, most discovered that marvels of technological progress were being created by software companies and teenage billionaires who were transforming business culture. Robert Rubin, Larry Summers, and others predicted—a bit too boldly—that productivity miracles would continue forever. Official forecasts projected budget surpluses until the federal debt disappeared in 2013.

By then my mantra was "No new paradigms." A bubble was clearly visible to all who remembered what one looked like. In 1998, I supported former Representative Henry Reuss' call for higher margin requirements, which could have cooled the dot-com madness without raising interest rates. This time, Greenspan paid no attention. In 1999, Paul Davidson and I warned that the bubble and the resulting budget surpluses would not last. In April 2000, at the White House New Economy Summit, I repeated the warning. The "fiscal drag" of surpluses threatened recession. No one wanted to hear.

Soon the bubble burst. Though many economists believed that September 11 caused the recession, those who had kept cool during the boom knew that recession was already well under way. In TAP that next month, I argued that larger public spending was needed to bring us out.

Amazingly, spending increases occurred. In 2003 they came from the Iraq War, whose short-term stimulus and long-term costs I addressed in the *Prospect* in 2002 [see "The Unbearable Costs of Empire," November 18]. For 2004, George W. Bush told Congress, in effect, to spend whatever it liked. Congress did so. No appropriations were vetoed. Domestic spending rose, helping push the economic growth rate above 4 percent and Bush to victory.

Now, my bipolar fellow economists are again on the depressive downswing of their cycle, fearing budget deficits—an all-purpose phobia for our time. Greenspan, his reputation squandered on tax cuts and Social Security privatization, solemnly concurs. But they are all misstating the real problems yet again. Interested readers can consult my piece "Bankers Versus Base" in—where else?—*The American Prospect*, May 4, 2004. TAP

***James K. Galbraith** is the Lloyd M. Bentsen Jr. Chair in government-business relations at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, and a senior scholar of the Levy Economics Institute.*

Discussions of politics in the magazine during the second half of the '90s included broad, interpretive essays as well as analyses and reporting of contemporary events. Among the articles that offered a new way of thinking were Stephen Holmes' "What Russia Teaches Us Now" (1997), arguing that too weak a state, as well as too powerful a state, could threaten liberty; Bruce Ackerman's "The Broken Engine of Progressive Politics" (1998), analyzing the historic changes in the relations of progressive movements, presidents, and the Democratic Party; and Melvin Konner's "Darwin's Truth, Jefferson's Vision: Sociobiology and the Politics of Human Nature" (1999), defending sociobiology as consistent with liberal politics.

Isaac Kramnick and R. Laurence Moore's "Is God a Republican?" (1996) argued that separation of church and state serves the interests of both. Ackerman, Sunstein, Randall Kennedy, and Kathleen M. Sullivan also contributed articles on constitutional questions. Alan Brinkley, Michael Kazin, and Sean Wilentz brought history to bear on contemporary issues.

John B. Judis and Harold Meyerson became our two chief analysts of contemporary politics. Beginning with a 1992 article, "The Pressure Elite," Judis shed brilliant light on the inner workings of Washington. Meyerson, who began writing in our pages in 1996 and is now our editor-at-large, as well as a weekly columnist for *The Washington Post*, has covered national politics and given particular attention to labor and progressive organizations. The *Prospect* has also frequently run important analytical pieces by E.J. Dionne Jr., Ronald Brownstein, and Thomas B. Edsall. The politics of race and ethnicity drew critical scrutiny from these and other writers, including Kennedy, Lani Guinier, and Carol M. Swain [see "Blacks and the Republican Party," page 32]. Civil liberties became a recurring concern, too, as in Anthony Lewis' "The Inquisitorial State" »



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(1999), the lead article in an issue on privacy and individual rights.

The *Prospect* devoted regular attention to economic policy, beginning with an early preoccupation with trade, labor, and the global economy. Among the economists to appear in our pages have been Galbraith and Alan S. Blinder on monetary and fiscal policy; Jeffrey Sachs on the International Monetary Fund; Joseph Stiglitz on globalization; Lawrence Mishel, Barry Bluestone, and Theresa Ghilarducci on labor economics; Alicia H. Munnell on pensions; Alice H. Amsden on East Asian economies; Rebecca M. Blank on Eurosclerosis; and Paul Krugman on income inequality [see "Staircase to Nowhere," page 30]. Reich and Faux have been the two most frequent writers on economic issues; Merrill Goozner has covered regulation. Robert S. McIntyre, an expert on taxes with a rare gift for droll prose on the subject, began contributing a regular column, "The Taxonomist," in 2000.

Although the *Prospect* has run occasional reviews of film, fiction, and art, our primary coverage has focused on how culture intersects with politics and public life. The linguist Geoffrey Nunberg first appeared in our pages with a critical analysis of the English-only movement ("Lingo Jingo," 1997); subsequent articles of his, along with those of Deborah Tannen and George Lakoff, have highlighted the political uses of language. Beginning in the mid-'90s, the *Prospect* also devoted attention to the politics of the media, often through the writing of Joshua Gamson, beginning with his analyses of tabloid media ("Incredible News," 1994) and daytime TV ("Do Ask, Do Tell," 1995). Other notable pieces have included Tom DeVries' prescient "We'll Talk About That: Can Liberals Do Talk Radio?" (1996); Jane Rosenzweig's inquiry into efforts to use television scripts to promote social reform, "Can TV Improve Us?" (1999); Stossel's "Echo Chamber of Horrors," on what happened on TV on election night 2000; Todd Gitlin's many articles, such as his takedown of FOX News, "We Disport. We Deride" (2003); Eric Alterman and Michael Tomasky's analysis of the press and the 2004 election, "Wake-Up Time"; and Neal Gabler's essay "Liberalism's Lost Script" (2004). »

1995

Blacks and the Republican Party

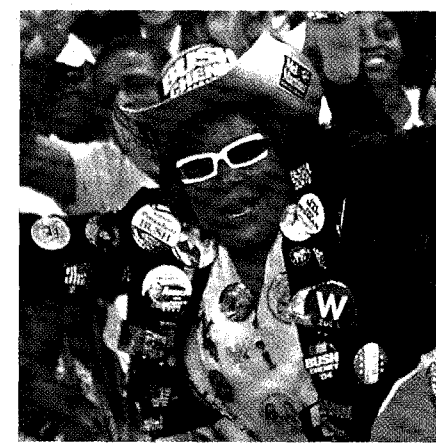
BY CAROL M. SWAIN

In "The Future of Black Representation" in Fall 1995, Carol Swain warned that racial redistricting was helping Republicans. She's still warning Democrats.

CAN THE REPUBLICAN PARTY successfully attract a growing percentage of the black vote? Barring new embarrassing blunders, such as the Trent Lott fiasco of a few years ago, the answer is an unequivocal "yes." Republicans could easily garner as much as 15 percent to 20 percent of the black vote in national elections, and, in the not-too-distant future, could even return to the much higher pre-Goldwater levels of the 1950s and '60s. Republican candidates are already doing well among blacks in some states. And the Republican Party, of course, has much to gain and little to lose from vigorously pursuing a greater share of the black vote. Democrats sense this, and some, at least, are scared.

The black vote may even be more attractive to the Republican Party than the Hispanic vote because Hispanics are less likely to be citizens and less likely to turn out to vote even if they are eligible. Republicans could chip away at black allegiance to the Democratic Party by expending more efforts in black communities, continuing to push for faith-based initiatives popular among black Christians, expanding black homeownership, supporting charter schools and other educational reforms that resonate with blacks, and continuing to take a tough stand on national security.

Republicans have already made themselves more palatable to Catholics and Jews. Will blacks be the next group to jump ship in large numbers? I believe the future does not bode well for traditional Democratic politics. My older sister, a former welfare recipient, cast her first Republican vote in 2004 for the re-election of President Bush. She supported his position on national security and liked the fact that he



She ♥ GOP: Does she represent a trend?

was unashamed to acknowledge Jesus Christ as Lord and savior. Many blacks are more willing to consider Republican candidates and ideas and to give a respectful hearing even to proposals that may be of doubtful benefit to them. In the recent votes in Congress on bankruptcy and repeal of the estate tax, 10 of the 41 members of the Congressional Black Caucus voted with the Republican majority against what some of us would consider the best interest of their constituents.

Because no one knows how long Republicans will maintain their dominance in Washington, blacks would do well to position themselves so that they can extract concessions from both parties. The Democratic Party seems ill-equipped to deal with some of the new dynamics of black life in America, and many blacks are willing to look elsewhere for leadership. More young blacks are taking a second look at the party of Lincoln, and some of their parents are beginning to question their traditional allegiance to the Democrats. Enhanced two-party competition for the black vote would be a welcome change. For the next development in this drama, stay tuned. **TAP**

***Carol M. Swain** is a professor of political science and law at Vanderbilt University and the author, most recently, of* The New White Nationalism in America.

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1996

The Civic Enigma

BY ROBERT D. PUTNAM

MORE THAN A DECADE AGO, I began to explore changes in Americans' civic engagement and social connectedness (for which I borrowed the term "social capital") and the impact of those changes on our communities and our democracy. My initial findings, suggesting a remarkable decline in social capital nationwide, appeared in a 1995 article called "Bowling Alone" in the *Journal of Democracy*. A year later, *The American Prospect* published "The Strange Disappearance of Civic America," a preliminary investigation of explanations for the decline.

These articles—along with work by other scholars, some predating mine—triggered a massive international debate that has proved one of the most fecund controversies in recent scholarly and public life. Last year, after a decade of exponential growth, scholarly articles about social capital were appearing at a rate approaching one a day. Press articles using the term soared from 136 in 1994 to 1,649 in 2004. Not all the research supported my thesis—far from it! Here I present a not-entirely-impartial assessment of what that debate has shown about four central questions raised by the original articles.

What has happened to civic engagement and social capital in America over the last 30 to 40 years? The first wave of critical commentary suggested that I had missed some crucial countertrends, such as the rise of soccer teams and self-help groups; if only we looked more closely, the picture would supposedly not be so dire. But as I reported in my book *Bowling Alone*, the more data I gathered, the more dismal the picture became. Though disputes continue along the margins, this controversy seems to have moved toward a broad consensus that the initial reaction of the American public to the debate was correct: We *are*, in fact, less civically engaged than our parents were.

Why the decline? "Strange Disappearance" identified several suspects, including a World War II generational effect, the movement of women into the workplace, and so on, though many read my argument as essentially monocausal—television as the root of all evil. Subsequent research supported many of the article's hypotheses, but I now think that my analysis overlooked three important factors: the growth of inequality, the growth of diversity, and the decay of mobilizing organizations. (I'm currently engaged in research on several of those omitted forces.)

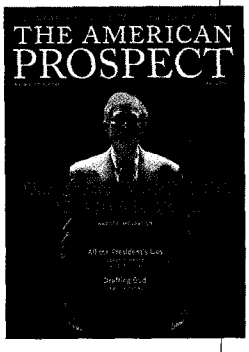
Does it matter? Most public commentators have assumed all along that if civic engagement were, in fact, declining, it would be big news. Social scientists have been appropriately more cautious, wanting incontrovertible evidence that social capital is actually a cause, and not merely a correlate, of the benefits I claimed—better schools, longer lives, more responsive government, and so on. It is premature to render a final verdict on this still-heated debate, though I expect that more sophisticated research will, in the end, vindicate the importance of social connectivity for American politics and society.

What can we do about it? The weakest part of my argument was the paucity of solutions, and it remains so despite the creative insights of many people and my own efforts, as exemplified in the book *Better Together*. That our democracy seems even less healthy today than it was a decade ago suggests that my diagnosis was right—and that practicable ideas for revitalizing American civic life are needed more urgently than ever. TAP

***Robert D. Putnam** is the Peter and Isabel Malkin Professor of Public Policy and former dean of Harvard University's John F. Kennedy School of Government.*

The *Prospect* was one of the first magazines to enter electronic journalism, launching a Web site, www.prospect.org, in 1994. In 1995, the magazine created the Electronic Policy Network (epn.org, later renamed movingideas.org), originally to build Web sites for progressive policy groups and then to function as a portal to sites they built independently. From a base of 12 affiliates, Moving Ideas now has an institutional membership of more than 150, and serves as a portal for progressive research, commentary, and activism online. The *Prospect*'s own site, besides offering pieces from the print magazine and the popular blog Tapped, features original online articles to respond to breaking events and provide wider coverage than our pages can accommodate.

Between 1999 and 2003, the *Prospect*'s print circulation doubled to more than 50,000 and has since reached 65,000. In 1999 we opened a bureau in Washington, D.C., and in the summer of 2001 moved the main editorial offices there from Boston.

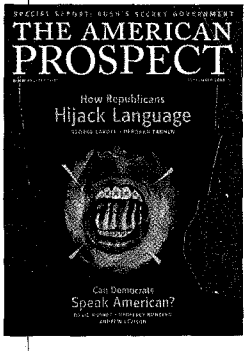


For just over three years, beginning in November 1999, the *Prospect* published on a biweekly basis, but in January 2003 the magazine restructured itself as a monthly. Ever since its move to Washington, it has provided more sustained coverage of national politics, both in print and online.

Yet, in keeping with its original concerns about policy, the *Prospect* has also published special sections on major public issues, typically in partnership with foundations that support work on the topic. Since 2000, these have addressed such themes as "The Open-Source Society," "Checkbook Democracy," "Making Work Pay," "The Politics of Family," "Globalism and the World's Poor," "Immigrants in the New Economy," "Wealth in America," "Youth and Politics," "Can We Give America a Raise?", "Children Left Behind," "Political Inequality," "Bringing Human Rights Home," "Bridging the Two Americas," and Social Security privatization. »

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In recent years, especially after September 11, the *Prospect* has also turned more of its attention to foreign affairs and national security, the protection of civil liberties, and the escalating threat of the far right. In "Defending an Open Society," our first issue after 9-11, we supported the war in Afghanistan but argued that the United States had to preserve its historic liberties even as it fought terrorism. In two special reports on foreign policy, as well as in other issues, writers such as Stanley Hoffmann, Morton H. Halperin, Theodore C. Sorensen, Lawrence J. Korb, Gary Hart, Stephen Kinzer, James Mann, Juan Cole, and Michael Walzer [see "Demystifying Terrorism," this page] have



presented an alternative view to the administration's of America's best interests in the world [see also the editors' "The Liberal Uses of Power," March 2005]. Hoffmann and Halperin have repeatedly emphasized the value of multilateralism. Mann, who saw the radicalism of the Bush foreign-policy team from the start ("Not Your Father's Foreign Policy," 2001), has written incisively about policy toward China. Some of the notable articles on foreign affairs have put contemporary problems in a wider historical frame, such as John Patrick Diggins' analysis of the history of neoconservatism, "The -Ism That Failed," (2003); Kinzer's "Regime Change: The Legacy" (2003); and the late James Chace's analysis of the architects of Soviet containment, "Wise After All" (2004).

In 15 years we have come full circle. As in 1990, there is a conservative administration in power, with policies well to the right of public opinion on most issues. During that period, *The American Prospect* has evolved from a small policy quarterly into a political magazine with a wider readership and a broader range of interests. But its mission remains unchanged: to bring liberal intelligence to bear on the urgent problems of our country. Stay with us. **TAP**

— Paul Starr, Robert Kuttner

2001

Demystifying Terrorism

BY MICHAEL WALZER

IN OCTOBER 2001, I WROTE A PIECE for the *Prospect* [see "Excusing Terror] in which I criticized "the politics of ideological apology"—the excuses that some on the left were making for terrorism. No one was justifying terrorism, but we were often asked to "understand" it. I argued that terrorism as a political strategy had to be condemned and opposed without regard to the causes that the terrorists claimed to serve. In fact, terrorism served no decent cause.

Is anybody still excusing terrorism? The answer is yes: Secret sympathy, even fascination, with violence among men and women who think of themselves as "militants" is a disease, and recovery is slow. But the excuses are heard much more in Europe than in the United States. My sense is that the argument here has shifted. It is focused more on how to deal with the threat of terrorism, how to make people feel secure. Speaking more politically, it is focused on how to make people feel that the liberal left is interested in their security and capable of acting effectively. We won't win an election until we address this.

Some people who once wanted us to "understand" terrorists now want to deny that they pose a threat.

Some on the left today believe that the best way to do this is to minimize the threat. That threat has been pumped up, they say, by the Bush administration and the right-wing media chorus, so as to promote the Iraq War and defend the expansion of state power authorized by the PATRIOT Act. And this much is true: Politicians of the right know very well how to play on and exploit the fear of violent death at the hands of masked murderers. I suspect that some of the same people who once wanted to "understand" the terrorists now want to deny that they pose much of a threat—which is not to understand them very well. The truth is that we have good reason to be afraid. So the problem is real: How do we convince Americans that terrorism can be defeated within the constraints of constitutional democracy, and that we (liberal-leftists) can do the job?

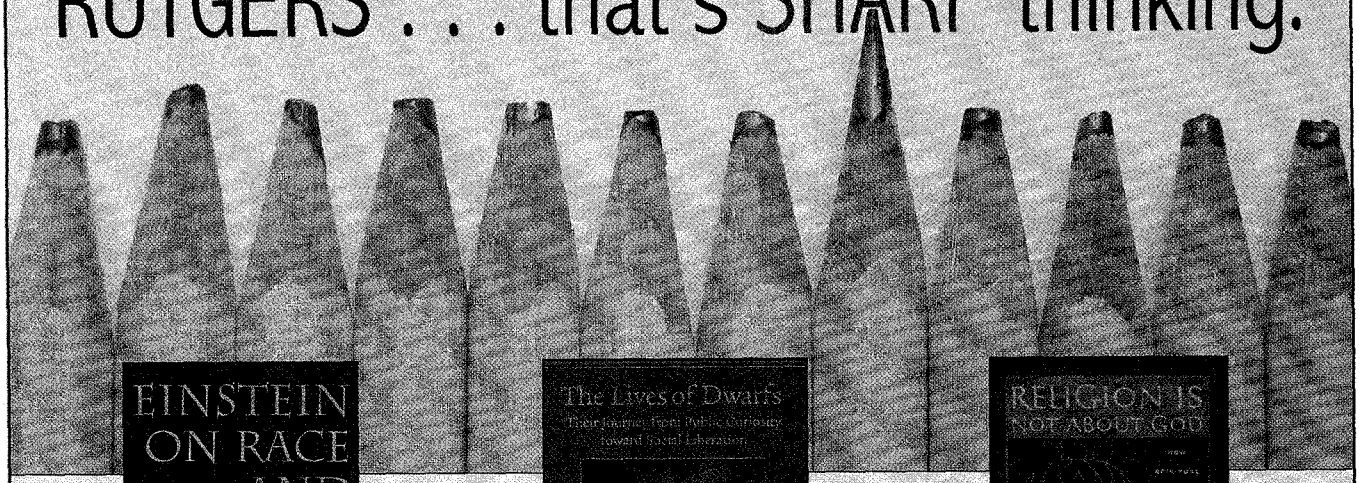
I am not going to recommend a political strategy; other people can do that better than I can. Intellectually, we need to demystify terrorism—not to pretend that there is nothing to worry about but to explain exactly what worries us and why. Terrorists are not fanatically evil monsters who must be met with a crusading zeal and an all-out "war"; they are political criminals who should be opposed by careful, painstaking police work. And this has to be cooperative, multilateral police work, across many countries, with the kind of diplomacy that makes international cooperation possible and a degree of global financial regulation that our laissez-faire government has been loath to seek.

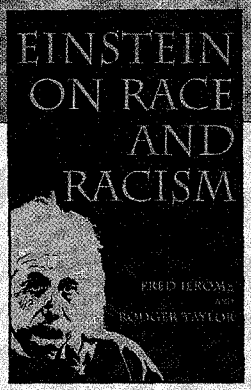
There is political work to be done, too, and sometimes, as in Afghanistan, military work. But real security depends on tracking down the terrorist cells, stopping the flow of money, and improving surveillance at critical sites. And the burden is on us—nobody else—to make the case that these things can be done effectively by liberals and leftists who will also, in contrast to today's Republicans, defend the civil liberties of American citizens. **TAP**

***Michael Walzer** is a professor at Princeton University's Institute for Advanced Study's School of Social Science and co-editor of* Dissent.

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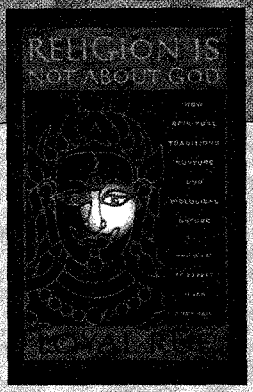




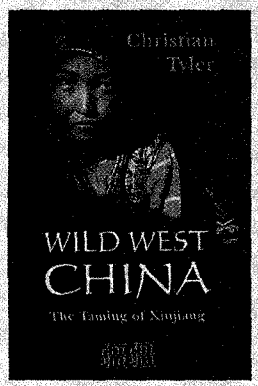
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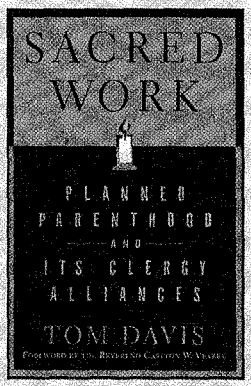
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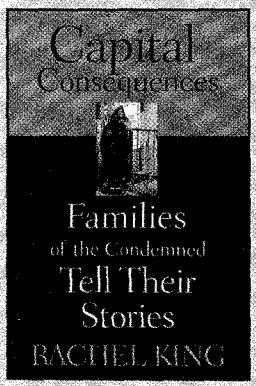
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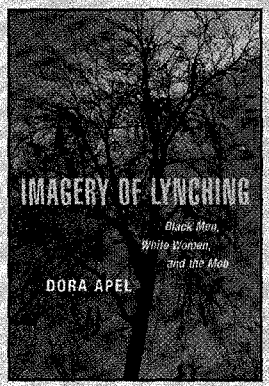
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The Book Club

There have been lots of great progressive books in the last 15 years, so we asked lots of people we like to tell us—quickly!—their favorite one.

TODD GITLIN
Professor of journalism and sociology, Columbia University

Narrowly squeaking in under the 15-year limit is *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics*, by Thomas Byrne Edsall and Mary D. Edsall (1991), which doesn't bring good news to liberals but is valuable for precisely that reason. Edsall has been reporting the nuts and guts of American politics for decades now, and there is no more reliable guide to the infrastructural facts. In the same blue-state vein: Lisa McGirr's *Suburban Warriors: The Origins of the New American Right* (2001).

PAUL BEGALA
Co-host, CNN's Crossfire



In 1995, Newt Gingrich and Rush Limbaugh were ascendant. James Carville's *We're Right, They're Wrong* was a shot in the arm for liberals, and a kick in the crotch to right-wing bullies. James showed us how to fight and win again.

ELI PARISER
Executive Director, MoveOn PAC

Worthy progressive books aside, right-winger and direct-mail zealot Richard Viguerie's *America's Right Turn* is a thought-provoking read. Viguerie offers insight into the conservative movement's origin, development, and future, with instructive lessons for progressives today. And it's written in direct-mail-ese—lots of bullet points!

HEATHER BOOTH
Political consultant

I've Got the Light of Freedom by Charles M. Payne, the story of organizing in Mississippi in the 1960s, reminds us that 1) if you organize you can change history, 2) you can overcome resistance with moral clarity, and 3) race and class underlie many of the country's current problems.

WALTER MONDALE
Democratic presidential candidate, 1984

I have just finished Nick Kotz's *Judgment Days*, the incredible story of Lyndon Johnson and Martin Luther King Jr.'s challenged relationship as—on different but parallel roads—they worked to achieve the historic civil-rights reforms that changed our nation. Kotz's profound and compelling history is enriched by the author's years as a great reporter who covered these epic events.

MICHAEL LIND
Author, Up From Conservatism

In his brilliant and entertaining study *The New Dealers: Power Politics in the Age of Roosevelt* (1993), Jordan Schwartz details how New Deal "state capitalism" developed the South and West and created the world's first mass middle class.

RICK PERLSTEIN
Author, Before the Storm

The best political book of the last 15 years is also the best book of the last 15 years. If ever the last liberal should perish from this earth—some days it seems possible—Tom Geoghegan's *Which Side Are You On?* will be the only thing that future historians will require to reconstruct us in all our sweetness and agony.

JANE SMILEY
Pulitzer Prize winner, A Thousand Acres

Henry Bromell's 2001 novel, *Little America*, which was published about four months before September 11 and sank without a trace, alas, because if people wanted to know what happened and how we got there, *Little America* told the story. It's not the most liberal book—Henry is a judicious person—but it is terrifically informative. I am told all the CIA retirees in our neighborhood thought it was great! Runner up: Greg Palast's *The Best Democracy Money Can Buy.*

GEORGE STEPHANOPOULOS
Host, ABC's This Week

Master of the Senate by Robert Caro. No single person was more responsible for the Great Society than LBJ. No single institution was more central to its creation than the Senate. No single writer uncovers the roots of that story—and understands American political power—better than Caro.

SEAN WILENTZ
Professor of history, Princeton University

Since I can't go back to 1949 (or, my real preference, 1849), let me be ultra-contemporary and name Richard Parker's *John Kenneth Galbraith: His Life, His Politics, His Economics*. Not only has Parker written a fine biography of a great liberal, he has brilliantly documented and analyzed the rise and decline of New Deal liberalism's core economic ideas.

AL FRANKEN
Co-host, Air America's The Al Franken Show



Why Americans Hate Politics, by E.J. Dionne Jr. The book came out in the summer of 1991, explaining that Republicans had been winning on patriotism, crime, and welfare. The Cold War over, Democrats had to be tough on crime and encourage personal responsibility. I recommended it to a Democratic media consultant who was working with Bill Clinton, and he said, "Oh. We're running on that book."

JOE CONASON
Prospect *Investigative Editor*

Under God: Religion and American Politics, by Garry Wills. Probably the most prophetic book of its time. Wills

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predicted it all: creationism, the gradual takeover of the Republican Party, the co-opting of the Bush family dynasty, Christian dominionism. All this from a book published in 1990—a year when the conventional wisdom suggested that the religious right was no longer relevant.

BENJAMIN BARBER
Professor of civil society, University of Maryland

My favorite liberal book in the last 15 years: Amartya Sen's *Development as Freedom* (1999). Sen is an economist, so it is the more remarkable that he offers a nuanced argument for the priority of democratic politics in sustaining development and finding sources for democratic thinking in Islamic, Confucian, and other non-Western cultures. A persuasive case for democracy in an unjust, globalizing world.

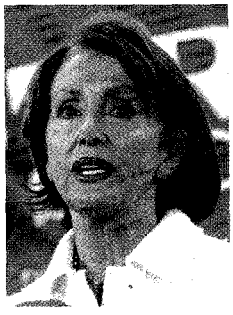
LISALYN JACOBS
Vice president of government relations, Legal Momentum

My favorite book is Lani Guinier and Gerald Torres' 2003 *The Miner's Canary: Enlisting Race, Resisting Power, Transforming Democracy*. It challenges the reader with new paradigms for viewing and working against the intractable issues that confront those of us who are engaged in the never-ending battle for regime change, including the systemic, the political, and others.

ANN CRITTENDEN
Author, The Price of Motherhood

The book that most stimulated me intellectually in the last 15 years was Shirley Burggraf's 1997 *The Feminine Economy and Economic Man*. Burggraf, an economist, analyzed the critical contribution that child rearing makes to the formation of human capital, implying that parents, particularly mothers, are the most important wealth producers in any society. The book is marred by a somewhat nutty conclusion—that parents should be compensated by pegging everyone's Social Security to the payments their children make into the system. But considering the current assault on Social Security, maybe this isn't the worst idea out there!

NANCY PELOSI
Minority leader, House of Representatives



It's *Sneaking into the Flying Circus—How the Media Turn Our Presidential Campaigns into Freak Shows*, by Alexandra Pelosi. Every citizen deserves a behind-the-scenes look at how modern presidential elections are run. With Alexandra as their guide, readers will see the influence of the media on our democratic process. But don't just take it from her mother—read the book yourself.

KATRINA VANDEN HEUVEL
Editor, The Nation

Who Will Tell the People?, William Greider's passionate and devastating 1992 manifesto about what has gone wrong with our democracy. Greider's account of the corrosion of America's political institutions and civic values is tough-minded, but never cynical. I value—especially in these days—its affirmation of faith in ordinary citizens' struggles to reclaim democracy and restore meaning to public life.

JESSICA STERN
Lecturer, Harvard University

P.W. Singer specializes in forcing us to look at who is really fighting today's wars. In his 2003 book, *Corporate Warriors: The Rise of the Privatized Military Industry*, Singer examines corporate mercenaries who kill for profit—sometimes benefiting the world through peacekeeping missions, and sometimes benefiting only themselves.

BILL PRESS
Author, How the Republicans Stole Christmas

Religious extremists want to tear down the wall of separation and make this a Christian nation. It won't happen if Americans know their history—and their religion. In addition to Garry Wills' *Under God*, cited by Joe Conason, read F. Forrester Church's *God and Other Famous Liberals* and *God's Politics* by Jim Wallis. Together, they prove the religious right is neither.

ALAN WOLFE
Professor of religion, Boston College

The first time I read it, I simply fell in love with *Lincoln's Virtues*, William Lee Miller's 2002 account of the dilemmas faced by our greatest president and the way he resolved them. No book is more appropriate to the age of certainty in which we live than this fascinating account of a man both humble and ambitious who learned his moral philosophy from experience.

MANDY GRUNWALD
Political consultant

The portraits of each of the 1988 presidential candidates in Richard Ben Cramer's *What It Takes* are so vivid that I can remember literally wincing through much of it. He captures the endlessly voluble Joe Biden, the painfully earnest Mike Dukakis, the heartbreakingly poignant Bob Dole, and so many others—none of whom had the ruthlessness that Cramer shows that it takes to win.

BRIAN SCHWEITZER
Governor, Montana



Undaunted Courage by Stephen Ambrose. Possibly the greatest account of the travels of Lewis and Clark; a chronicle of one of the epic journeys in American history that took place in a time when the landscape controlled man, not the other way around. They learned from the first Montanans about how to survive the harsh environment—and, to help create a more sustainable society, we can, too.

MARK SCHMITT
Proprietor, The Decembrist blog

David Levering Lewis' biography, *W.E.B. DuBois*. From the Harvard of William James to the founding of the NAACP to the divisions of black nationalism, DuBois' story is a reminder that ideas have consequences and that the essentially liberal experience—sometimes trauma—is one of continually adjusting those ideas to changing circumstances. **TAP**

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The DeLay Wannabes

Four U.S. representatives who deserve special mention—and, in certain instances, criminal investigation

BY ART LEVINE

AMID ALL THE TURMOIL OVER HOUSE ETHICS rules and Tom DeLay's expanding assortment of scandals, the embattled majority leader's Republican minions quickly resorted to the old "everybody does it" defense.

"The things that Tom has been criticized about in one way or another every member of Congress could be criticized about," declares Majority Whip Roy Blunt. Fortunately, that's a considerable exaggeration. But several members of Congress have shown themselves, like DeLay, to be more inclined than most of their colleagues to push the ethical envelope.

Although public outrage in April forced the Republican leadership to repeal the rigged rules designed to protect DeLay, the House Ethics Committee should look hard at other alleged miscreants, including the three Republicans and one Democrat whose cases are detailed below. How likely is that? Now stacked with compliant Republicans tied financially to DeLay, the long-dormant ethics panel is even more flaccid since Speaker Dennis Hastert booted off three GOP members who dared vote to admonish DeLay last year. With tensions rising, tit-for-tat partisan complaints could suddenly explode, leading to an "ethics war," but there's still little reason to expect a genuine crackdown.

With the new committee members commencing their probe of DeLay, the next investigative target on their agenda should be Representative Robert Ney, who appears to have colluded with Jack Abramoff's infamous Indian lobbying scam.

After the ethics process collapsed completely last winter, veteran ethics watchdog Fred Wertheimer of the nonpartisan Democracy 21 said that Capitol Hill was "functioning like the Wild West again, where there are no rules." Melanie Sloan of Citizens for Responsibility and Ethics in Washington compared the Republican leadership's removal of independent-minded members from the House Ethics Committee to a "mob hit."

So this is the United States Congress today, sounding less like the deliberative center of the world's oldest democracy than a gritty new HBO series that combines elements of *Deadwood* and *The Sopranos*, peopled by the hustlers and con men of a David Mamet drama. Call it *Sleaze in the City*.

Without real ethics enforcement, some legislators will continue to regard DeLay as their role model. The following four and the runners-up (see sidebar) deserve special recognition—and, in certain instances, criminal investigation.

REPRESENTATIVE ROBERT NEY
THE SUPER-LOBBYIST'S "FRIEND"



Take pity on poor Bob Ney, who insists he's just another victim of lobbyist Jack Abramoff and public-relations consultant Michael Scanlon. Unlike the half-dozen Indian tribes that paid about $82 million to that scamming duo, however, the U.S. representative at least got campaign donations and a lavish trip to Scotland's legendary St. Andrew's golf course out of them. Whether he got more than that is now a matter of interest to Justice Department investigators, according to a knowledgeable source who says that the probers are seeking to discover whether Ney received any illegal donations from Abramoff.

An affable, 50-year-old conservative Republican from Ohio, Ney portrays himself as a "dupe" of Abramoff and Scanlon, the pair of rapscallions targeted by the Senate Indian Affairs Committee and the Justice Department for their alleged defrauding of tribes seeking increased clout.

Both Abramoff and a lawyer for Scanlon have repeatedly denied any wrongdoing. Yet the lobbyists' operation looks like such a breathtaking scam that it stuns even veteran observers of Washington scandals. Last November, the Indian Affairs Committee detailed how they took $4.2 million from the Tigua tribe of El Paso, Texas, while doing little to help reopen the tribe's casino with federal legislation that Ney had ostensibly championed. Abramoff and Scanlon had previously worked with the cherubic religious-right consultant Ralph Reed to prod Texas authorities to shut down the Tigua casino and another sought by a Houston-area tribe, while using at least $4 million of a rival Louisiana tribe's money. When they began the subsequent wooing of the Tigua tribe in early 2002, Abramoff wrote to Scanlon, "I'd love us to get our mitts on that moolah!!"

And so they did, even as Abramoff derided the Indians as

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"moronic"—and worse—in his e-mail messages.

The working-both-sides ploy wouldn't have been possible, though, without the false but soothing reassurances offered to the Tigua tribe by Representative Ney as chairman of the House Administration Committee. Thanks to Abramoff, Ney received more than $30,000 in campaign donations from the Tigua tribe. In August 2002, he was also treated to a trip to Scotland—plus travel on a private jet—costing at least $100,000 that included the St. Andrew's golf jaunt. Along for the ride were Abramoff, Reed, and Neil Volz, a former top Ney staffer working for Abramoff. All expenses were paid by Abramoff's tribal clients, but reported by Ney as the largesse of the National Center for Public Policy Research, a conservative think tank.

House rules forbid members from accepting trips from lobbyists. But last March the Ohio congressman said that Abramoff had fooled him, claiming the lobbyist told him that the trip was paid for by the center, which has denied any role in that junket. (The center did acknowledge sponsoring two earlier DeLay trips.)

Ney first tested his "innocent victim" line after the Senate hearings on the Tigua fraud. Attacking Abramoff and Scanlon as "nefarious individuals," he proclaimed, "I, like these Indian tribes and other members of Congress, was duped by Jack Abramoff." He explained that the lobbyist had invited him "to go on a trip to Scotland, which Mr. Abramoff said would help support a charitable organization that he founded, through meetings with Scottish Parliament officials."

That charitable outfit was the Capital Athletic Foundation, an Abramoff front. Why Ney would have to go golfing in Scotland or visit the Parliament there to assist an American-based charity remains an unsolved mystery—as does his interest in sponsoring legislation for a Texas tribe far from his rural Ohio district.

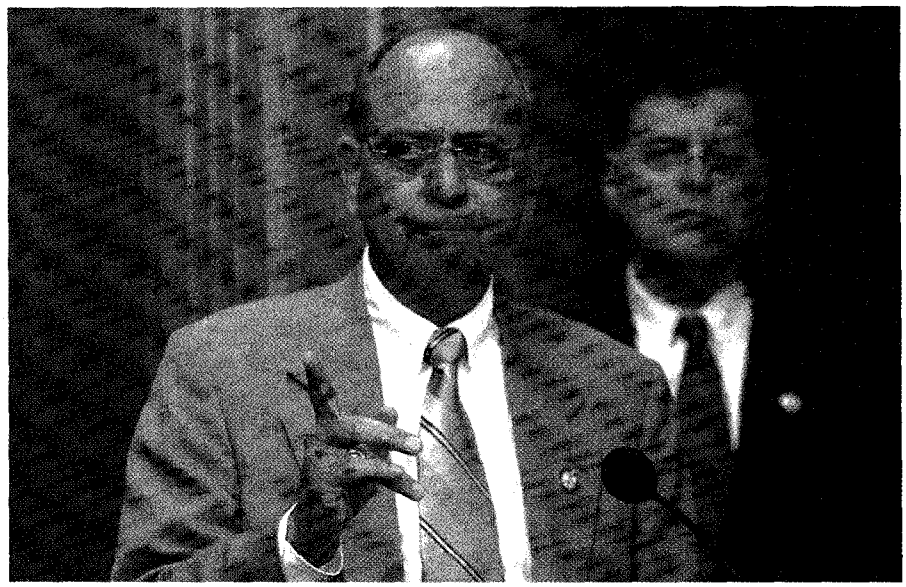
But Abramoff and his associates had raised money for Ney from 2000 through 2003, providing the use of a luxury skybox at Washington's MCI Center to host a fund-raising event, as first reported by *The Washington Post*. The helpful congressman had also supported Abramoff and Adam Kidan, the lobbyist's business partner, in their effort to buy a Florida gambling cruise line. The sale went through, but the cruise line's original owner was later killed gangland-style after fighting with Kidan, who has alleged ties to organized crime. Ney has since claimed that he was misled about Kidan's background, too.

Nay says that he came to support the Tigua gaming provision because Abramoff told him that Senator Chris Dodd had agreed to include it in the unrelated Help America Vote Act (HAVA). Dodd, a co-sponsor of HAVA, was an implausible ally for the Tigua, as the Democrat was actually opposing efforts by Indian tribes to rapidly expand gambling in his home state of Connecticut. While e-mail records prove that Ney was backing the Tigua measure as early as March 2002, he said he didn't approach Dodd until the following July.

"I ... personally asked Senator Dodd about this provision, and he expressed no knowledge of it," Ney later asserted. "In short, I had been misled by Jack Abramoff ... . The matter was then closed from my perspective."

But Ney's various statements about his involvement with the Tigua and with Abramoff are misleadingly vague and often false. (His press spokesman declined to respond to questions from the *Prospect*.) Tribal representatives and the Senate investigation both paint a far more disturbing picture of his continuing cooperation with the Abramoff scam.

In February 2002, Abramoff and Scanlon signed up the tribe as a client, trading in part on their close ties to DeLay and on Abramoff's claim that he would work for free to win the tribe's business later. By March, Abramoff had enlisted the Ohio congressman. As he told Scanlon in an e-mail: "Just met with Ney!!! We're f'ing gold!!! He's going to do Tigua." A week later, Abramoff wrote to Texas-based lobbyist Marc Schwartz, explaining that the tribe needed to contribute to Ney's campaign and political action committees—and tribal leaders soon forked over $32,000. By April, Scanlon indicated to Schwartz that Dodd was on board, too.



The Doctor Is Out: House Ethics Committee Chair Doc Hastings has a big job—if he wants to do it.

Soon, however, the congressman required still more favors. In June, Abramoff wrote to Schwartz again: "Our friend [Ney] asked if we could ... cover a Scotland golf trip for him and some staff ... and members in August," just like the trip DeLay had taken two years earlier. Briefing Scottish parliamentarians about an American charity doesn't seem to have been a top priority of Ney's trip (although he did actually visit the Parliament in Edinburgh for what a staffer there describes as a "brief courtesy call").

Abramoff asked the Tigua to pay $100,000 toward the golf outing, but the tribe's leaders declined to do so because they'd already spent so much on payments to Scanlon (who secretly shared the loot with Abramoff). Instead, the Tigua arranged for another Houston-area tribe that would benefit from the leg-

A-WIDE WORLD

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islative language to contribute to the trip.

Even as Dodd's election-reform bill languished in Congress during the summer, Abramoff and Scanlon reassured the Tigua's representatives that great strides were being made on their measure. Ney echoed those cheery assessments when he returned from his jaunt to Scotland and met with tribal leaders in mid-August, keeping the deception going.

The tribe was also asked to be discreet. Abramoff urged its leaders not to mention to Ney their role in funding his trip. As he wrote to Schwartz: "BN had a great time and is very grateful but is not going to mention the trip to Scotland for obvious reasons. He said he'll show his thanks in other ways, which is what we want."

At the August meeting, Ney hosted the Tigua leaders, almost bursting with pride as they were ushered into a conference room to meet such an important congressman. He exuded upbeat confidence in their provision's prospects, less than *one month* after he had learned that Dodd didn't support the measure and wouldn't attach it to the HAVA bill. They were especially surprised when Ney thanked them for the trip. Early on, says Schwartz, "He thanked us for our participation and assistance in the trip. We were taken aback." Although Ney eventually claimed he was upset at having been duped by Abramoff, he effusively praised the lobbyist during the Tigua meeting, as Schwartz testified in the Senate hearing.

Most critically, according to Schwartz and Tigua leader Carlos Hisa, Ney told the tribal representatives that all the major players, such as Dodd, were on board for their measure.

"I've had several conversations with Dodd," Schwartz says Ney told them, "Your measure is taken care of." He urged patience, but added reassuringly, "Senator Dodd and I are committed to this."

He certainly never told the Tigua representatives that Dodd didn't support their measure and that it wouldn't be attached to HAVA. As the disenchanted Schwartz charges, "Bob Ney has got to be at the center of this. There can't be the perpetuation of a fraud of the Tigua tribe unless Bob Ney has that meeting with us."

Ney went on and on for well over an hour, schmoozing with his guests and praising free enterprise. At the end, he even walked them out so that they could use the reserved members' elevator. "That last act sealed the deal," recalls Schwartz. "He was very friendly and won us over." Today, Schwartz says, "To raise the hopes of a tribal people when he knew the deal was dead leaves me no doubt that he is a heartless individual devoid of integrity."

The hopes of the Tigua evaporated in October 2002, when Abramoff called to say that Dodd had purportedly decided to renege on his support of the tribe's legislation, supposedly out of anger that his own bill to reform Connecticut tribal recognition was defeated in the Senate.

The Dodd bill provided a perfect cover story—and in his best David Mamet tough-guy style, Abramoff called Schwartz to complain. "Dodd fucked us!" he said. "Ney is fuming that the bastard went back on his word. We were fucked by a Democrat!" He then urged Schwartz and the tribal officials to scramble to find other legislators who could persuade Dodd to support the measure, but those last-ditch efforts failed.

Dodd's supposed support was always a phony tale that Ney and Abramoff sold to the Indians. At the Senate hearing last year on the Tigua mess, Dodd released a statement explaining that he hadn't even learned about the Tigua proposal until very late in the process. "Congressman Ney's staff," said the senator, "did approach my office during the waning hours of negotiations over the HAVA legislation to inquire whether recognition provisions for the Tigua tribe could be included in the bill. The suggestion was summarily rejected."

Nevertheless, a few days after the crushing October defeat for the tribe, Abramoff arranged for Ney to speak to the tribal council by conference call to offer his condolences for the legislative failure. Schwartz says that Ney told the council about a supposed conversation with Dodd. "I begged him to put it back in," said Ney. "I'm apologizing for us in Congress, but he went back on his word. I was so disappointed. ... I almost decided to let election reform die." He vowed to continue to work on the issue. (A Ney spokesman told *The Hill* newspaper, "The congressman has no recollection of that conference call.")

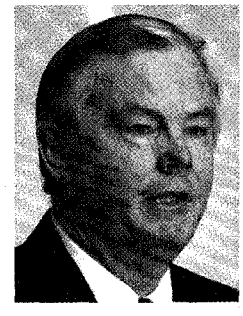
A source familiar with the Justice Department probe says that federal authorities are investigating Ney's role in the scheme and asking whether Abramoff arranged payment of any illegal contributions or gratuities to him. This confirms previously published reports by *Newsweek* and *The New York Times*, which indicated that the Justice Department is seeking to determine whether Abramoff "improperly" provided contributions and gratuities to lawmakers and staffers "in exchange for legislative favors."

Looking back on the Tigua quest to restore the tribe's $60-million-a-year casino, Hisa says there was no way that he and his fellow tribal leaders could have known that they were being scammed.

"We trusted people in Washington," he says now.

Evidently Bob Ney shouldn't have been one of them.

REPRESENTATIVE JOE BARTON
WESTAR'S WHOLLY OWNED SUBSIDIARY



Special interests seeking political favors from politicians who want contributions rarely express their legislative desires in explicit terms. Being too obvious risks violating House ethics rules, as well as federal anti-bribery statutes, so discretion is maintained while money and favors flow.

There are, however, occasional exceptions to this prudent custom. Take the Westar Energy case, which stems from the Kansas company's grossly venal—and probably illegal—donations to various members of Congress and their political committees in 2002. Near the center of the Westar scandal is Joe Barton, now the chairman of the House Energy Committee, who inserted a special exemption from Securities and Exchange Commission (SEC) rules on the company's behalf, working with various legislators including the ubiquitous DeLay.

PHOTO: BLOOMBERG NEWS/LANDOV

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For pure blatancy, Westar's pay-for-play scheme was extraordinary in the recent history of congressional influence peddling. "You don't tie the legislation directly to the money," as Melanie Sloan observes. And you don't write it all down, either. But the company's politically inexperienced executives did both.

Westar's plan to purchase legislative favors was revealed in a series of e-mails excavated during an internal corporate inquiry that followed the announcement of criminal investigations of the company. (Two Westar executives face a retrial for allegedly looting the company; Westar is also under indictment by District Attorney Ronnie Earle in the DeLay Texas PAC case; and the company's former CEO has been sentenced to four years in prison for bank fraud.)

Those internal documents have also served as the basis for letters by Public Citizen to the Justice Department asking for a criminal investigation of alleged bribery violations by Barton and others. "They asked for the contributions to be made, and the special exemption got inserted over the objections of the SEC," charges Craig Holman of Public Citizen. The Justice Department hasn't taken any action so far.

A Barton spokesman declined requests for comment, but in a June 2004 interview with *Roll Call*, the Texas Republican asserted, "I can state emphatically that there was never any discussion about doing this for Westar because they were raising money for Republican causes or Tom DeLay or myself ... ."

But those e-mails between Westar's lobbyists and executives flatly contradict his alibi.

The blunt-spoken Barton was the right man to serve Westar's interests in Congress. After trying to slash regulation of polluters who gave $800,000 to his campaign war chest, critics nicknamed him "Smoky Joe." The Westar provision was a different form of deregulation—a complex SEC exemption that could earn its executives millions in stock sales when the company split up, while costing customers billions to cover the utility's new debts.

Westar sought to buy influence on the upcoming energy-bill conference committee by contributing more than $56,000 to influential lawmakers and their favored candidates. The company spelled out its strategy in May 2002 internal memos that explained how to get a "seat" at the conference-committee table and spelled out the dollar amounts demanded by Barton and others. The executives and lobbyists responded by opening their checkbooks.

At first, the infusion of cash bought the provision that they wanted. On September 18, 2002, Barton successfully placed the Westar loophole in the House conference version of the energy bill. A little more than a week later, however, Westar became as radioactive as a nuclear dump when its corporate officers received a grand-jury subpoena. By October, even House Republicans who had glommed Westar's money decided that the SEC exemption looked bad, and they withdrew the language from the controversial energy bill.

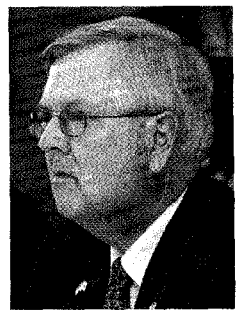
Unlike some other legislators, Barton apparently didn't even give the money back. And he doesn't seem likely to face *any* consequences for his unethical conduct.

"Barton is getting away with it," says Sloan.

ERIKO SUGITA/REUTERS/LANDOV

REPRESENTATIVE CURT WELDON

DADDY DELIVERS FOR DAUGHTER



In Washington, nepotism can be just another way to cash in political favors. Last year, the *Los Angeles Times* reported that Karen Weldon, a novice 30-year-old publicist with little experience in foreign policy, had won handsome PR and consulting contracts worth $1 million from at least three foreign clients—all of whom have been aided by her father, Curt Weldon, a congressional expert on Eastern Europe and vice chairman of the House Armed Services Committee.

"To me, this looks like a scheme to feather the nest of his daughter," Gary Ruskin, the director of the Congressional Accountability Project, told *The Philadelphia Inquirer* last year. "It looks like ... you stick money in Karen Weldon's pocket and you get results." More recently, a Weldon press aide said, "The congressman believes it is improper to comment on this informal investigation until it is resolved" by the House Ethics Committee. That was a reference to a preliminary investigation, opened last year, that few observers expect will be resumed.

When the Karen Weldon story broke, her father's office explained that she is a public-relations specialist and *not* a lobbyist. Weldon's chief of staff, Mike Conallen, insisted that she has never lobbied Congress or the executive branch. According to Conallen, her father absolutely forbids her from having business contacts with his office (and if she disobeys, perhaps he'll ground her).

"These are very serious conflicts of interest," says Sloan, who sent a letter to the Justice Department last year asking for an investigation to determine whether Weldon had violated federal bribery law by using his office to benefit companies that hired his daughter.

Certainly Solutions North America Inc., her tiny company, has scored some lucrative clients. Among the spoils is a $240,000 contract from a wealthy Serbian family that financially aided Slobodan Milosevic, currently on trial for war crimes in The Hague. She got the contract after her father praised the Serbian moguls as humanitarians and backed efforts by two family members to win U.S. visas from the State Department, which has refused them entry.

When not flacking for Milosevic cronies, Karen Weldon's firm also represented a Russian aerospace manufacturer for a hefty $20,000 a month, plus 10 percent of any new business generated. That was when Representative Weldon went to work, successfully pitching the company's drone plane to the U.S. Navy, according to the *Los Angeles Times*. (Ultimately, though, Solutions North America didn't get the finder's fee earned by all that effort.)

For years the Pennsylvania Republican has championed the sale of Russian fuel to the United States. But even jaded political observers were surprised when his daughter's company landed a $500,000 promotional contract from a Russian energy firm around the same time that he was co-hosting a swank dinner for the company. He had earlier backed its campaign to get an $868,000 Siberian gas-exploration grant from the federal government.

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To Karen Weldon, ethical questions are unfair. "Because of who he is, people have questioned me all my life," she complained to the *Los Angeles Times*. "I have nothing to hide. I haven't done anything inappropriate."

Evidently the House Ethics Committee and the Justice Department agree.

REPRESENTATIVE MAXINE WATERS
FAMILY VALUABLES



Maxine Waters has a well-earned reputation as a dynamic liberal Democrat who champions the causes of the poor and downtrodden. The California congresswoman's generous spirit apparently also extends to her own family, because she's helped members use her political clout to book more than $1 million in business with companies, candidates, and organizations she has supported. As the *Los Angeles Times* first revealed last December in its series on Capitol Hill nepotism, Waters' husband and daughter have both capitalized on her influence. What looks like the sale of her endorsement to candidates eager to appear on her "slate mailer," or sample ballot, has raked in money for her daughter's political consulting firm. What looks like the sale of access to lucrative government contracts for a bond firm has generated fees for her husband.

A Waters spokesman wouldn't answer requests for comment on those allegations. Waters also refused to reply to written questions from the *Los Angeles Times*, but told the paper: "They [her relatives] do their business and I do mine ... . We are not bad people." The financial deals involving her family don't seem to expressly violate any state laws or congressional ethics rules.

Yet there is something unseemly in the way the Waters family uses her political clout to advance its financial interests. At least that's the view of some Democratic political veterans who won't speak publicly about the powerful congresswoman. But the outspoken Sloan has publicly called for a House Ethics Committee investigation of Waters. "Maxine Waters is using her name and office to get lucrative contracts and money for her family," says Sloan.

Daughter Karen's political-consulting business may best illustrate this savvy blending of political and financial interests. Karen Waters blandly assured the *Los Angeles Times* that "Maxine Waters is one of my clients," and said she keeps their business dealings at arm's length. But as one Democratic consultant explains, "The unspoken commitment when Maxine gives you her endorsement is that you'll buy her slate. When we are talking about getting Maxine's endorsement, the joke is: 'How much will that cost us?'"

The slate mailer is a California political artifact that the Waters family has successfully exploited. In the nation's largest state, where TV and newspaper ads are expensive, the mailers provide a vehicle for candidates to pool the cost of mass mailings—for varying fees. Karen Waters' L.A. Vote mailer is considered one of the most influential because of the value of her mother's endorsement, especially in south Los Angeles. The mailer has brought in more than $1.7 million during the past eight years, according to the *Los Angeles Times*. Well-known politicians, such as former Governor Gray Davis, have paid tens of thousands of dollars to appear on L.A. Vote, while multimillionaire and political novice Al Checchi paid it $171,000 in his failed 1998 race for governor.

Some consultants, however, question the value of L.A. Vote and other mailer operations. "These things are largely a scam," says one, "and the slate-mailer people generally ask for exorbitant amounts of cash."

Naturally, Maxine Waters is far too astute to demand money

ROGER L. WOLLENBERG/UPI/LANDOV

BOTH SIDES SOMEDAY

Representatives Ney, Barton, Weldon, and Waters may behave more outrageously than most of their Capitol Hill colleagues, but they are hardly alone in deserving critical scrutiny and possible punitive action. Other members have yet to achieve the same level of impropriety, but several have allegedly committed offenses sufficiently serious enough to warrant mention.

Certainly they deserve to be dealt with by a tough-minded, credible House Ethics Committee. If and when the committee decides to take meaningful action, ethics groups such as Democracy 21 and Citizens for Responsibility and Ethics in Washington have pointed to several representatives as worthy of further investigation. Some were already facing preliminary inquiries by last year's ethics committee, while others were passed over but shouldn't have been. Here, then, are the runners-up:

- Representative **J.D. Hayworth** doesn't let his image as a fun-loving blowhard get in the way of testing ethical constraints. In April, *The Arizona Republic* reported that his wife is the only employee of his T.E.A.M. PAC, earning $107,000 since December 1999—or nearly half the money raised by Hayworth's leadership PAC. The congressman also failed to disclose, on five occasions, that he used skyboxes paid for by Jack Abramoff or Abramoff's tribal clients at fund-raising events that took place between 1999 and 2001, before, as *The Arizona Republic noted*, Abramoff became the central figure in a lobbying scandal. A Hayworth spokesman told the *Prospect*, "We've already given comment and worked with the FEC to rectify the oversight."

- Other representatives used the Abramoff skyboxes and didn't file reports—such as **John T. Doolittle**, who was listed by Abramoff as having used them five times but claimed to have used them only once. No matter: Doolittle never reported any of those favors until he faced public scrutiny.

- Cowboy Congressman **Richard Pombo**, the rancher who chairs the House Resources Committee, last year allegedly flouted House franking rules by sending out a brazenly pro-George W. Bush mailer to 175,000 snowmobile owners in the swing states of Wisconsin and Minnesota—at taxpayers' expense. A Minnesota environmental group and Public Citizen filed complaints with the House Franking Commission, but the commission hasn't taken any action. In fact, under scandal-scarred House Administration

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directly from candidates seeking her support. She usually makes her endorsement decisions first, picking promising candidates for valid ideological and political reasons. Those decisions are followed by a second phase, with Karen Waters handling negotiations for the payment required to appear on the mailer. But when Karen needed to fill out her mother's slate with additional paying candidates, she put out feelers herself to potential mailer clients. "My mom wants to endorse your candidate, and we'd sure like to get him to be on her slate," one adviser to a small-time candidate recalls Karen asking late in the campaign. "Then she asked for some ludicrous fee that we couldn't afford." Ultimately, they negotiated the rate down to about $5,000.

Occasionally the congresswoman has set up a deal with not-so-subtle pressure. "I don't want to waste my endorsement on someone who can't win," she reportedly has told consultants. "You need the best possible operation, the best possible events, and Karen can help you do that." Another political professional remembers working on a zoning-referendum campaign for developers—and being sized up financially by Waters and her daughter. The congresswoman bluntly asked how much money he was earning, leaving a clear implication: "She was there to do business for her daughter ... and she wanted to get a clear idea of the money situation." The campaign didn't end up paying, and the representative remained neutral.

Karen Waters likely wouldn't fare so well as a consultant if her mother weren't in Congress. She generally manages to publish an effective mailer that mimics almost exactly the look of official government election booklets, while featuring informal notes from the congresswoman. But there was also that unfortunate incident when she reportedly printed about 30,000 mailers in the 2000 election that accidentally featured Ralph Nader instead of Al Gore at the top of her mother's Democratic slate.

Recently, however, the money spigot for Karen Waters' firm has slowed because of new McCain-Feingold restrictions on fund raising by federal candidates. In last November's election, Waters' congressional campaign committee handled the slate-mailer operation under tighter fund-raising restrictions. Yet most candidates and initiative campaigns still paid more than $85,000 to get on it, according to Federal Election Commission (FEC) records. Senator Barbara Boxer's campaign was the most generous, paying $25,000 to the Waters committee. Forget about soft-money limits—Waters won an advisory ruling last year from the FEC that deemed payments to her committee for the mailer as reimbursements for expenses, not donations. This year, L.A. Vote was back in the slate-mailer business, too, taking in money from some local nonfederal candidates endorsed by Maxine Waters.

Still other lucrative opportunities are available to the Waters family, thanks to the matriarch's connections. The *Los Angeles Times* reported that in the last three years, her husband, Sidney Williams, has earned nearly $500,000 by working as a part-time consultant to a bond underwriting firm—and wooing some of the same officials his wife has endorsed. His biggest commission, totaling $84,000, came from helping the firm win a $424 million bond deal from State Treasurer Phil Angelides, who had paid $40,000 to appear on Maxine Waters' slate mailer.

Such ethical controversies haven't dimmed the high regard of her constituents, though. Some black political observers believe that resentment of Waters' paid endorsements stems from racial bias. And as one admiring consultant says of her political/money-making machine, "To the victor belongs the spoils." He adds, "I wish I were her nephew." **TAP**

***Art Levine** is a* Washington Monthly *contributing editor who has also written for* The New Republic, The Atlantic Monthly, U.S. News & World Report, The Washington Post, Slate, Salon, *and other national publications.*

Chairman Bob Ney, the commission hasn't even formed yet this year. "I'm beginning to feel that ethics are unimportant to this Republican Party," says Sherry Enzler, a former coordinator for Minnesota's Environment 2004. Pombo wasn't available for comment.

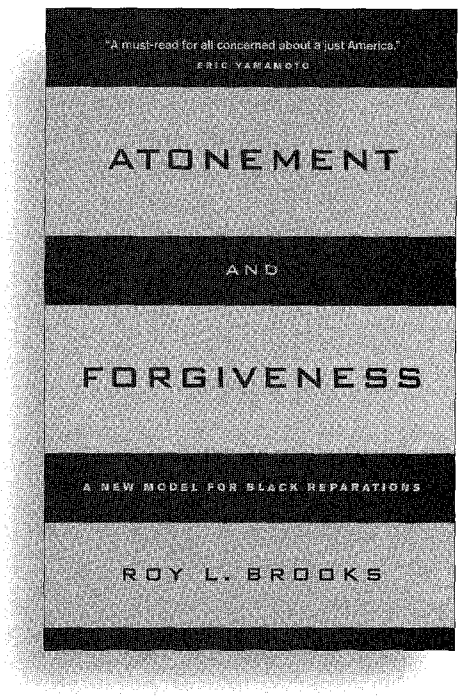
- Representative **Rick Renzi** unlawfully used hundreds of thousands of dollars from his own businesses to fund a large portion of his 2002 re-election campaign, according to the FEC. He also failed to report $39,000 in contributions and $101,000 in expenditures. Renzi claimed that they were permissible personal loans to his campaign that were properly reported.
- Representative **Jim McDermott** has the distinction of being the target of perhaps the only formal complaint still pending from the years before the House Ethics Committee. The complaint, filed last year by Representative David Hobson, stems from a 1997 incident in which McDermott leaked to the press a taped cell-phone call that recorded House members discussing how then-Speaker Newt Gingrich should handle an ethics investigation. Representative John Boehner sued McDermott and won a $60,000 civil judgment against him last August, now being appealed by the Washington Democrat. Absurdly enough, DeLay claimed that House Democrats were blocking his rigged ethics committee from meeting earlier this year in order to protect ... Jim McDermott.
- Representative **John Conyers** and his aides allegedly conducted partisan political activities out of the congressman's Detroit office, an issue that the House Ethics Committee began exploring last year.
- And let's not forget all the other members of Congress who accompanied DeLay on those overseas trips financed by foreign agents or lobbyists. For instance, the Korea-U.S. Exchange Council paid for at least six other members to travel to South Korea since 2001, according to the *National Journal*. Among them were Representatives Ileana Ros-Lehtinen and Ander Crenshaw, both Republicans from Florida. The same registered foreign agent enhanced its impact on Congress by hosting eight senior congressional staffers for a $57,000 retreat in August 2003 at West Virginia's luxurious Greenbrier resort.

Says Democracy 21's Fred Wertheimer, an authority on government ethics who has spent decades dogging congressional miscreants, "These ethics matters cannot be allowed to simply disappear." **TAP**

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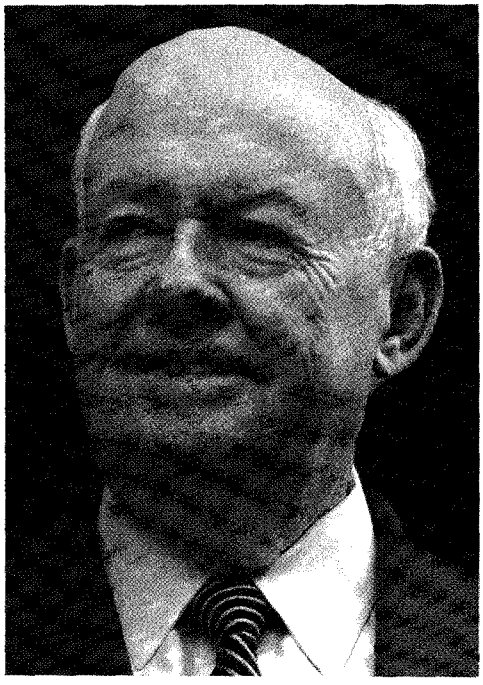
Labor's Civil War

The Sweeney revolution is definitely over. But is the Sweeney era? Inside the tumultuous battle over labor's future.

BY HAROLD MEYERSON

On Tuesday, May 3, 167 of the AFL-CIO's 426 employees reported to work to find that their positions had been eliminated. Whole divisions were being scrapped, publications abolished, programs terminated. Some departments were being consolidated, and 61 new positions being created within them, but the house that Federation President John Sweeney had built was, by Sweeney's own decree, being partially torn down.

The Field Mobilization Department—a nebulous division that employed 67 field reps for disparate assignments across the nation—was being merged into the political program, with 30 positions eliminated outright. The federation's monthly magazine, *America@Work*, was being discontinued. The policy office was being reduced in size and merged into a joint operation with the legislative office. The International Affairs Department, which director Barbara Shailor had transformed from the planet's last bastion of Cold War vigilance into its most effective proponent of global social democracy (and brought 20,000 unionists from around the world to the Seattle demonstrations of 1999), was to be abolished and merged into the Solidarity Center, with a greater focus on union-building endeavors.



Under Attack: AFL-CIO President John Sweeney

ROGER L. WOLLENBERG/UPI/LANDOV

Two days later, much of the staff gathered in the President's Room at AFL-CIO headquarters to meet with Sweeney and his chief of staff, Bob Welsh. Amid understandable wailing and gnashing of teeth, Welsh was emphatic about one point: Staffers who'd lost their jobs should direct at least some of their anger at a coalition of insurgent unions. As quoted by labor blogger Jonathan Tasini, Welsh told the crowd that "unions representing 40 percent of the federation put forth proposals to cut the staff of the federation in half. It's against this background we've made tough choices."

The "background" Welsh alluded to was a sustained and unprecedented barrage of demands from some of the largest unions that the AFL-CIO all but dismantle its existing structure in order to devote half its resources to organizing. The federation, they said, should rebate half the dues of those member unions with credible organizing programs of their own (about $35 million a year, they estimated) and devote an additional $25 million in royalties from the AFL-CIO's credit card to organizing as well. Sweeney and his supporters had rejected those moves, but now, facing the possibility that some of those unions might leave the federation altogether, they were instituting a smaller ($15 million) organizing rebate program of their own, which was one reason why the ax was falling.

Many today fear that the cuts at the AFL-CIO presage a bloody succession of self-inflicted wounds within the movement. With a sometimes startling ferocity, union leaders are accusing one another of indifference to the erosion of labor's strength and a chronic incapacity to do anything about it. While the first accusation is largely bogus, the second is sadly true—save for a handful of unions that have transformed themselves into successful organizing machines. Today, the leaders of some of those unions have embarked on a campaign—which may take the form of a rancorous challenge to Sweeney's re-election—to reshape the movement along the lines of their own organizing-oriented unions. At the same time, some of them are threatening to leave the AFL-CIO if Sweeney prevails—a parting likely to weaken labor's vaunted political operation and possibly set union against union in a scramble for members. It's a moment of both peril and opportunity for labor, though peril looms as much the larger of the two.

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IT'S NEARLY A YEAR SINCE ANDY STERN, THE PRESIDENT OF the Service Employees International Union (SEIU), first threw down the challenge to Sweeney and the AFL-CIO, telling wildly cheering delegates gathered in San Francisco last June for the union's quadrennial convention that it was time either to "change the AFL-CIO or build something stronger." Of all the attacks Sweeney had weathered, this might have been the unkindest cut: The SEIU was his old union, and Stern had been the young firebrand whom Sweeney had plucked out of a Harrisburg, Pennsylvania, local 25 years earlier and promoted to organizing director. Stern had done his job too well: While the rest of the labor movement was shrinking, the SEIU doubled its membership during Sweeney's tenure to 1.2 million, adding an additional 600,000 new members since Stern succeeded him in 1996. It was now the federation's largest affiliate, home to 11 percent of the federation's members and source of 11 percent of the federation's budget. And now Stern was hurling ultimatums: The federation had to put vastly more money into organizing and compel the merger of smaller unions unable to organize into larger ones. Either the AFL-CIO would shape up or the SEIU would ship out.

Wilhelm said unions had to make tough choices. "We have to blow up the AFL-CIO bureaucracy," he told a Los Angeles labor forum in February. "The staff should be cut by at least 50 percent."

And not just the SEIU. For several years, it had allied itself—for a time in a now-disbanded coalition called the New Unity Partnership (NUP)—with a number of other unions with ambitious and successful organizing programs (there weren't many). The unions included the Laborers, headed by Terry O'Sullivan; the Union of Needletrades, Textiles and Industrial Employees (UNITE), headed by Bruce Raynor; and the Hotel Employees and Restaurant Employees International Union (HERE), headed by John Wilhelm (the latter two merging in 2004 as UNITE-HERE). Alarmed by labor's decline—unions represented 35 percent of the U.S. workforce when the American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO) merged back in 1955; today, they represent a scant 12.5 percent, and a sickly 7.9 percent of the private sector—these leaders had long been calling on the AFL-CIO to do more to address the crisis.

As early as 2002, Wilhelm asked the federation to consider a huge campaign, beyond the capacity of any one affiliate, to unionize Wal-Mart, America's largest employer, whose policies and practices reduced the living standards not only of its own 1.2 million employees but of countless others at its thousands of suppliers and subcontractors. With labor under assault, Wilhelm said, unions had to make tough choices (for which his own union staff, which he had pared down largely to organizers and corporate researchers, could serve as a model). The federation, he argued, should be spending 75 percent of its budget on politics and organizing. This was war; sacrifices would have to be made. "We have to blow up the AFL-CIO bureaucracy," he told a Los Angeles labor forum in February. "The staff should be cut by at least 50 percent."

Along the way, the NUPsters picked up some allies—chiefly, the Teamsters and the United Food and Commercial Workers (UFCW)—to form a bloc constituting roughly 40 percent of the federation's 12.5 million members. At the AFL-CIO Executive Council meeting in Vegas in early March, the insurgents presented their proposal that the federation rebate half the dues payments of those unions with substantial organizing campaigns in their core industries. If unions were to grow, every dollar not spent directly or indirectly on organizing was a dollar wasted.

Vegas proved to be a bloody ground. A coalition of unions representing 60 percent of the federation's membership beat back the insurgents' resolution. Led by the American Federation of State, County and Municipal Employees (AFSCME) and the Communications Workers of America (CWA), the majority grouping argued that serious organizing was impossible given the erosions in labor laws once intended to protect unions' rights to organize. The proper goal of the AFL-CIO, this faction argued, should be to elect a Democratic Congress and president who'd pass new laws permitting workers to organize again. To that end, the executive council, in a meeting marked by rancorous exchanges between Stern and AFSCME President Gerald McEntee, passed a resolution doubling the size of its political budget.

The differences between the two camps were in part experiential. AFSCME is entirely a public-sector union that lives and dies by political elections, and when Republicans captured the governor's offices in Indiana and Missouri last November, their first move was to rescind collective-bargaining rights for the state's public employees. Most manufacturing unions, the United Steelworkers most prominently, lined up with AFSCME, too; unions that had seen their core industries exported to other, cheaper-labor countries found little to like in the NUPsters' call to bolster organizing only in unions' core sectors. Directing more funds to organizing the dying manufacturing sector didn't impress such unions as a good use of money at all.

STERN, WHOSE UNION HAS ORGANIZED 49,000 CHILD-CARE workers in Illinois and 41,000 home-came workers in Michigan this spring, emphatically disagrees. "Other than when jobs are going overseas," he says, "there's not an employer where—with enough time, money, and strategy—you don't have a legitimate shot at building a union. Others think you have to legislate ourselves out of the problem—elect friendly officials, pass labor-law reform. We think you have to grow your way out of the problem." Stern is all but contemptuous of those leaders who despair of organizing, calling them "a group of leaders who are defeated, who believe they can't grow."

By the end of the Vegas meeting, the movement's cracks had widened to chasms. UNITE-HERE considered disaffiliation; Teamster officials talked secession, too.

Sweeney returned from Vegas, then, facing a double threat:

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Some unions were threatening to pull out, and Wilhelm was sounding out support for a challenge to Sweeney (whose current term will be up at the AFL-CIO's convention, July 25–28, in Chicago). The threats were interconnected: If Sweeney couldn't keep the unions from leaving, perhaps Wilhelm could. "The longer [this fight] goes on without being resolved," one union president said in April, "the more problems John Sweeney has. He can't assure his colleagues he can manage this."

In late April, Sweeney's problems were compounded when four of the insurgent unions—the SEIU, UNITE-HERE, the Teamsters, and the Laborers—abruptly moved to dismantle the crown jewel of the federation's operation, its political program. They informed the federation that they were withdrawing the names of their members from the AFL-CIO's political files, the computerized list with which labor wages its national, state, and local campaigns. The action threatens to undermine the foremost voter-mobilization campaign in the Democratic Party's universe.

Facing mounting threats, Sweeney responded. The May 3 layoffs he announced were part of a massive restructuring of the federation along the lines that his critics had suggested. In addition to the $15 million set aside for organizing, he called for the establishment of Industry Coordinating Committees to plan organizing campaigns, like the Wal-Mart effort, that no one union could take on.

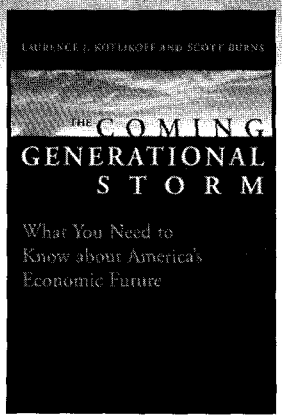
"If this had happened two years ago, the NUPsters would have applauded," one federation insider noted. But the dissident leaders quickly made clear that Sweeney's reforms were too little and too late—and that Sweeney himself had become the issue. "John Sweeney and the people around him are not capable of carrying through the reforms," UNITE-HERE's Raynor told me.

Indeed, in speeches to a Teamster conference in Las Vegas on May 9, Stern, Wilhelm, Raynor, O'Sullivan, and Teamsters President James P. Hoffa made cumulatively clear the growing intensity of the split in labor. "The American labor movement at the level of the AFL-CIO has lost its way," Wilhelm told the Teamsters. "It's lost its energy. It's lost its hope. And that's a crime .... We aren't going to accept it .... And we're going to teach the AFL-CIO that they shouldn't accept it, either!"

Ever since the merger of UNITE and HERE one year previous, Wilhelm had been the logical candidate to challenge Sweeney. His credentials as an organizer and strategist were beyond dispute—and nowhere more so than in Vegas, where he built the hotel local from 17,000 members to more than 50,000 through a program of member mobilization that other unions could only dream about. His bona fides as a social visionary were in good order, too: It was Wilhelm who'd persuaded the AFL-CIO to reverse its historic opposition to undocumented immigrants and to become, in fact, the nation's leading advocate of immigrant rights. Unlike Stern, he'd taken care to maintain good relations with most of his fellow union presidents. As AFL-CIO presidents are elected by the presidents of the federation's affiliated unions, and not the rank and file (which means just 15 men determine the outcome of the election), this was no small virtue.

Wilhelm's was hardly the most fiery speech the Teamsters

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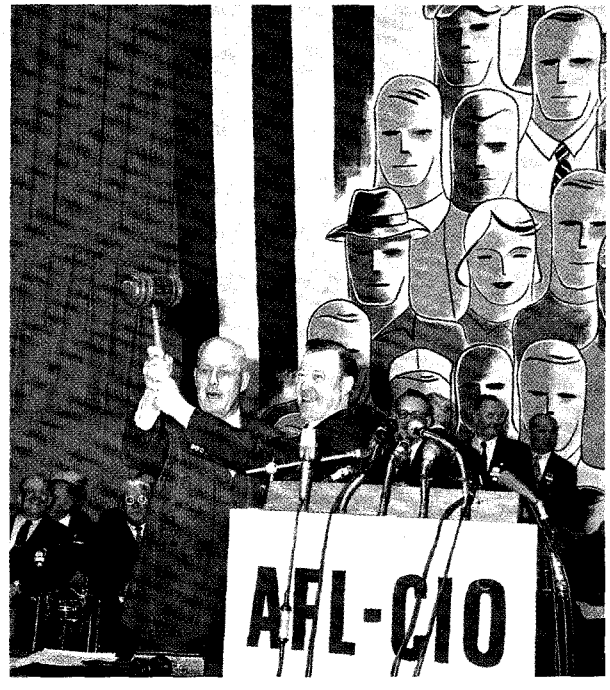
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heard, however. That came from Stern, who documented the decline in labor numbers and declared, "That's what John Sweeney doesn't get. That's what those other unions don't get .... If unions think that the labor movement can allow this to happen, they can kiss my ass!"

FOR AMERICAN LABOR, THE SEASON OF BLOOD AND KNIVES has arrived. Longtime allies have turned on one another; personal relationships have frayed. Sweeney himself, endeavoring to hold things together, ascribes some of the tension to the times. "We have to understand," he told me, "that the political climate of the past four and a half years is the worst in modern labor history. It's made us angry and frustrated."

Indeed, whole sectors of organized labor look to be on the brink of crumbling. Airline unions are powerless to stop the shredding of their members' contracts. The once-mighty United Automobile Workers (UAW) is stuck in an industry whose two largest employers, General Motors and Ford, seem poised for huge cutbacks. Seventy thousand supermarket workers in southern California last year waged a long and bitter strike only, in the end, to accept pay cuts and reduced health benefits for new hires. The Bush administration is gunning for unions as well, with a distinct possibility that the three Bush appointees to the five-member National Labor Relations Board may wholly or partially invalidate the "card check" method of unionization—under which employers agree to forgo an election once a majority of workers have signed affiliation cards with the union—that has been the main way that unions have organized workers over the past decade.



Different Times: George Meany (*left*) and Walter Reuther, 1955

Time was when workers seeking to organize could hold fair elections under the terms of the National Labor Relations Act—but that was a long time ago. The steady and sickening decline in membership since the AFL and CIO merged 50 years ago has resulted in large part from the realization of employers that they could violate the terms of the act with impunity. According to research from Kate Bronfenbrenner, director of Cornell University's Center on Labor Education Research, employers threaten to close their work site in 21 percent of organizing drives, and one worker in 20 on such campaigns is fired—both tactics proscribed by the act, but for which the penalties are negligible.

Even at the time of the merger, a small number of labor leaders—most particularly, the UAW's legendary Walter Reuther—saw that unions had to do radically more to boost their membership, which had not grown as a percentage of the workforce for a decade. But Reuther's sense of urgency was not widely shared, as Solomon Barkin, the in-house intellectual for the old Textile Workers Union, noted in a brilliant paper, prefiguring today's debate, that he wrote in 1961. Unions were resting their great organizing drives of the '30s and '40s at their own peril, Barkin argued. The economy was growing in those sectors where unions were missing.

As Barkin saw it, labor could not effectively move into growing sectors of the economy because the CIO, in the 1955 merger, had lost the debate with the AFL over the crucial question of how the new federation would be structured. In the '30s, when the CIO itself hired the organizers and planned and executed the organization of such hitherto unorganized industries as auto and steel, "The regional offices of the CIO, unlike the AFL, became the headquarters for many union campaigns," Barkin wrote. CIO President Reuther wanted the AFL-CIO organizing department to retain that capacity, but AFL President George Meany, who became AFL-CIO president at the 1955 merger and served in that position until shortly before his death in 1979, insisted on a more federated structure.

"The dominant belief in the central body," Barkin wrote caustically, "is still basically that of the old AFL—that the responsibility for new organization rests with the individual internationals." Such a system could never adequately organize new industries. The AFL-CIO, he argued, should "have the authority to initiate campaigns in those areas and among those groups where it feels no adequate efforts are being made .... Vested rights of national unions must not be allowed to stand in the way of the transcendent interests of the movement as a whole."

Barkin's fears proved as prophetic as his suggestions were unheeded. For 40 years after the merger, the AFL-CIO, and most of the union movement it headed, was indifferent to organizing. In the '60s, led by AFSCME's Jerry Wurf and the American Federation of Teachers' Albert Shanker, huge breakthroughs were made in organizing public-sector workers, but the decline of private-sector unionism continued unchecked. Not until 1995, after two decades of decline, when Sweeney ousted longtime AFL-CIO President Lane Kirkland on a platform of boosting labor's organizing and political clout, did the federation even turn its full attention to the challenge of rebuilding the movement.

For a time, all was bright. Hiring Steve Rosenthal as the AFL-CIO's political director, Sweeney poured resources and talent into the federation's election work. Labor's political program became the model for all voter-mobilization efforts, and by 2000, labor's share of the electorate had risen to 26 percent (from 14 percent in the last Kirkland-era election of 1994). Sweeney created an organizing department within the federation, and

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he raised the organizing budget—for a while, at least—to 30 percent of its total expenditures, and set that goal for member unions. He told the affiliated unions that labor needed to grow by a million members a year for the next 20 years to regain its strength at the time of the merger, and for a time, the federation's weekly news bulletin, *Work in Progress*, kept a running total of the number of new workers organized that year.

Midway through 2004, however, *Work in Progress* quietly dropped its running total of new members; the figures were so low they could only constitute an admission of failure. Only a handful of unions have reached the 30-percent target, and many unions have abandoned organizing altogether. The unions that have made the change to organizing mode come from both the pro- and anti-Sweeney camps: the SEIU, UNITE-HERE, and the Laborers among the oppositionists; AFSCME and the CWA among supporters; and the American Federation of Teachers (AFT), whose presidential preference remains murky. But changing to organize entails persuading members to increase their dues heavily to fund such a transformation, the hiring and/or training of hundreds of organizers, and the development of crack corporate research teams. Though the AFL-CIO Organizing Department has offered excellent training programs, most unions haven't been willing to make that leap. One survey of California unions in 2002 found that just five internationals employed 48.9 percent of all the organizers in the state; the SEIU alone employed 22 percent of them.

Two departures from AFL-CIO staff signaled the limitations of Sweeney's success. In 1997, Richard Bensinger, the federation's first organizing director, was asked to leave; his constant exhortations to organize had begun to rankle the internationals' presidents. And after the 2002 elections, Rosenthal, a close friend of Stern's, left to form a massive "527" voter-mobilization organization, America Coming Together. Midway through George W. Bush's first term as president, it was clear that the Sweeney revolution had stalled. "With Rosenthal's departure," said one union staffer, "it became acceptable for those behind the Sweeney revolution to trash it."

In the eyes of his critics, Sweeney did not push his colleagues hard enough for change. Raynor calls him "a consensus builder—that's his hallmark." This was not, in the parlance of the dissidents, a term of praise. But when Stern began arguing that the AFL-CIO should abandon a search for consensus, a debate erupted over the how-tos of union organizing. CWA Executive Vice President Larry Cohen and a number of other CWA leaders criticized the SEIU for top-down organizing, arguing that educating and mobilizing the rank and file, through a system of hyperactive shop stewards, is the only way to ensure union democracy and growth. In the CWA's view, the SEIU moves more like an army than a democratic union.

But it moves. Cohen's arguments aren't entirely wrong, but they are prescriptions for disengagement with the bulk of the American workforce until such time as the law changes or American workers revolt en masse. "Look, if CWA shop stewards all go on leave to work in nonunion workplaces, I'd agree with CWA," says one SEIU official. "People with a radical past are focusing on the 8 percent that's unionized. They don't see that the movement is on its deathbed."

BUT HOW DOES A MOVEMENT DEVOTED TO SERVICING THAT 8 percent organize the other 92 percent? How does a movement rooted in the Northeast, the Midwest, and on the West Coast organize in red-state America, where it needs to boost its numbers if the Democrats are to become a competitive party at the national level? How does it organize Wal-Mart, which is rooted in the red states?

Labor—all wings of labor—has been moving slowly toward a collective Wal-Mart strategy for some time now, particularly since the UFCW, which would have jurisdiction, plainly stated that organizing the behemoth is beyond its capacity. The one union leader who has been calling for such a campaign for years is Wilhelm. "There are clearly some seminal campaigns, important to society as a whole, that no one union can do on its own," he recently told me. "Wal-Mart cries out for an AFL-CIO approach." For starters, Wilhelm and his fellow dissident presidents suggest that the federation devote its $25 million a year in credit-card royalties to a long-term Wal-Mart organizing campaign—a proposal that Sweeney has not embraced.

In 2004,* Work in Progress *quietly dropped its running total of new members; the low figures could only constitute an admission of failure.

Which doesn't make Wilhelm a "top-down" guy. From the history department at Yale (his alma mater, whose clerical workers he organized in the mid-'80s) to the cocktail waitresses at the Luxor (one of the Strip hotels represented by the Vegas local whose size he tripled), Wilhelm has been uncommonly adept at building rank-and-file organizing committees, mobilizing thousands of workers, and winning groundbreaking contracts.

As president of HERE since 1998, Wilhelm built what is surely the leanest union staff of any major international, hiring organizers and corporate researchers in part through savings achieved by killing off other departments (health and safety among them). Wilhelm taking over the AFL-CIO might be a little like a guerrilla leader who's fought in the hills for many years finally occupying the capital.

Wilhelm's critics complain that his union is not merely lean but understaffed and disorganized, that Wilhelm's record as a manager leaves much to be desired. They also note that HERE has endorsed Republicans—among them, New York Governor George Pataki, who assisted HERE in winning collective bargaining at tribal casinos. Wilhelm's record of strategically endorsing Republicans may commend his candidacy to such centrist union leaders as the International Association of Fire Fighters' Harold Schaitberger, another occasional GOP endorser who has not been aligned with the dissidents but who recently sent a

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blistering letter to Sweeney excoriating the AFL-CIO president's management of federation affairs.

In many ways, a Wilhelm presidency would be less the negation of Sweeney's than its logical successor. An articulate speaker as well as a skilled negotiator, Wilhelm would provide the kind of public presence labor needs if it is to become more of a movement and less of a rickety federation incapable of the kind of death-defying organizing campaigns it needs to survive.

But Wilhelm has yet to declare his candidacy. With most federation presidents still supporting Sweeney, the dissidents' campaign plan—other than to threaten the dissolution of the federation should Sweeney be re-elected—remains unclear. "SEIU fouled up this campaign from the beginning," says one union leader, when Stern raised the specter of disaffiliation back at the SEIU convention in July of 2004. "In the year leading up to the most important [U.S. presidential] election in decades," said Steelworkers President Leo Gerard late last year, "we didn't need any damned distraction."

While the 71-year-old Sweeney is well liked personally by labor leaders across the spectrum, it was by no means a given that he could have engendered support for another term as AFL-CIO president before the current controversy began. When he took office in 1995, he pledged he'd serve for 10 years, and it was widely expected he'd step down this July. "Sweeney wasn't thinking of running again," says one of the AFL-CIO president's associates. "But Andy didn't just anger him; he infuriated a number of [presidents of] affiliates, who asked John to run again."

Should Wilhelm run, this cross will be his, not Stern's, to bear. A few union presidents fairly bristle with cultural resentment at Stern, and, to a lesser degree, Raynor and Wilhelm, whom they see as having set themselves up as hip leaders in an otherwise square movement. "Why did they do the NUP thing at all?" one leader wonders. "It came off as a clique, as guys who thought they were better than everybody else."

On Monday, May 16, a wholly different group of union leaders—including the presidents of the AFT, the UFCW, the Fire Fighters, and the International Brotherhood of Electrical Workers—convened to discuss their own ideas for alternatives to Sweeney. It's by no means a given that these unions would support a Wilhelm candidacy, but the meeting raised the prospect of yet another insurgency and even deeper problems for the AFL-CIO's current administration.

IF WILHELM AND UNITY DO NOT PREVAIL, WHAT THEN? The SEIU will surely secede; whether by itself or with others is as yet unclear. "Under the right circumstances, everyone would be ready to go with SEIU," says one dissident leader. But those circumstances would involve a mass secession, and it's not clear how many unions are willing to initiate that game of chicken. "My organization has never threatened to pull out of the AFL-CIO," Laborers President Terry O'Sullivan told me at the March executive-council meeting, "and has no intention of doing so." McEntee, for one, believes that all the unions but the SEIU are bluffing, in order to gain leverage for Wilhelm's candidacy. The Amalgamated Bank of UNITE-HERE, for instance, is vulnerable to huge withdrawals of union deposits should UNITE-HERE opt out of the AFL-CIO. (The CWA has already withdrawn $50 million.)

Blogging two days after the dissident presidents' speeches to the Teamsters, Stern wrote glowingly of "the combined strength and proud histories of the 5 million union members represented by our unions [the dissident coalition]." But if all were to leave and set up a rival federation, the new group would lack the clear definition of, say, the CIO, which was united around the principles of industrial unionism and activist liberal politics. The dissident unions may all argue for the imperative of organizing, but while the SEIU, UNITE-HERE, and the Laborers have transformed themselves into kick-ass organizing machines, the Teamsters and the UFCW have made no such transition. Similarly, the five unions occupy a fairly broad political spectrum: In 2004, the Teamsters were Dick Gephardt's biggest supporters, while the SEIU was a gaggle of Deaniacs.

Even if the SEIU goes off all by itself, many union officials believe that, in the words of one, "a Hobbesian world [will be] created." Some fear that the SEIU's vaunted organizing machine will fight other unions for new, and maybe current, members—fears Stern takes pains to allay. "Our intention is not to start a war," he says. "We'd work with the AFL-CIO on everything that makes sense. We have no intention to start any campaign where an AFL-CIO union is already organized. But if somebody goes against us? God help the union that picks that fight."

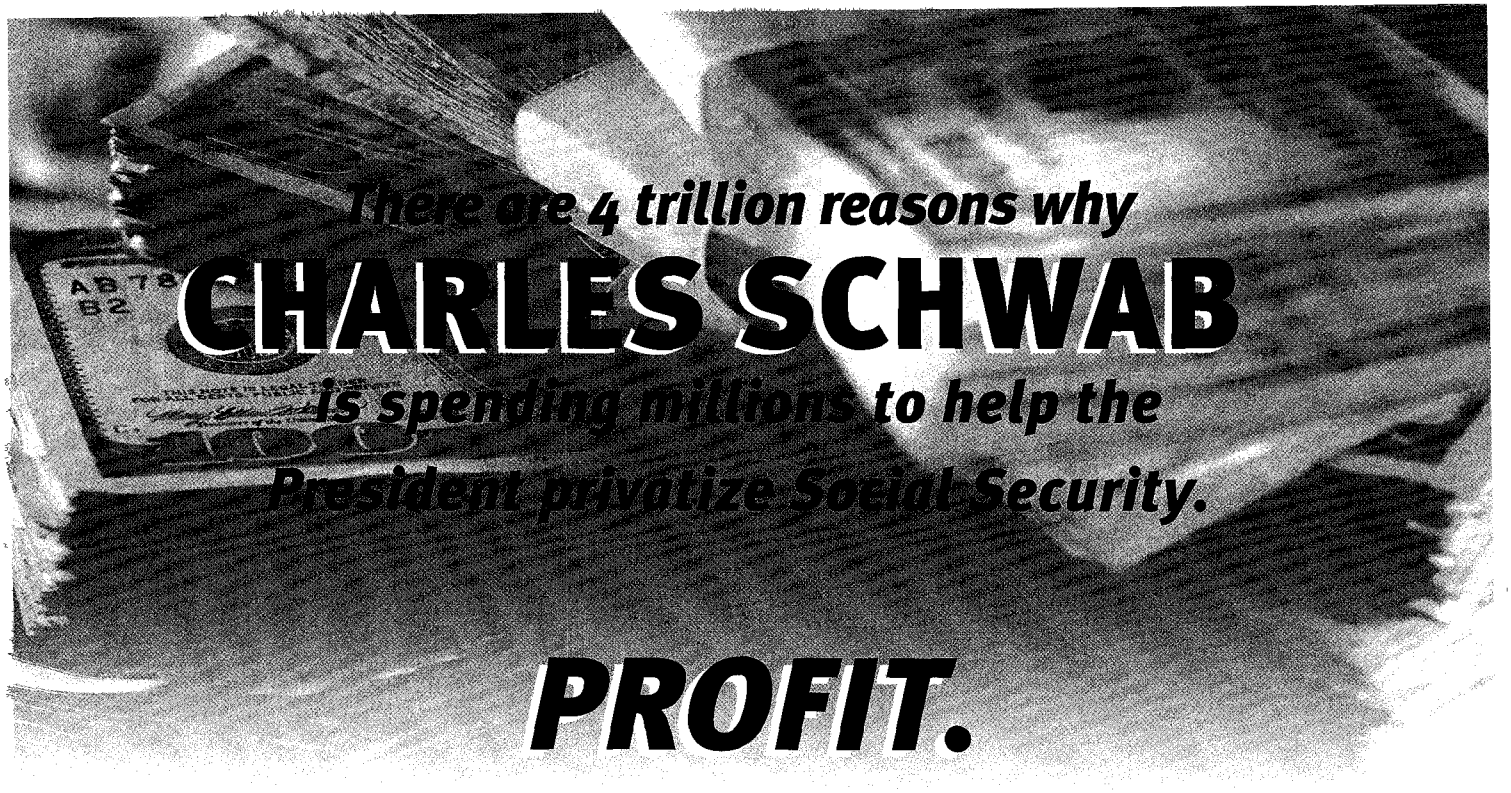
Whatever the case, the act of disaffiliation is sure to complicate the life of the AFL-CIO's state federations and central labor councils that wage their political and lobbying campaigns with money and activists provided by the SEIU. In Los Angeles—home to the most politically potent labor council in the land, and one in which the SEIU is the dominant union—council leader Miguel Contreras (who died, suddenly and prematurely, on May 6) was already building a series of parallel organizations to preserve a de facto, if no longer de jure, unified political operation.

But the biggest question is whether secession would help labor grow. The resources that the SEIU would gain from not paying AFL-CIO dues come to a little more than $10 million a year—real money, but a small fraction of the SEIU's total organizing budget. Labor needs to pool its resources, not divide them, to have even a chance to grow. It needs to redirect resources from unions and sectors and states where unions have maintained a presence to those sectors and states where they do not yet exist. It cannot wait until labor law is reformed to begin this project. Labor's present business, if it does not organize, is the business of dying.

These changes require something more than a federated structure to direct unions' affairs; they require the recreation of a movement. That's why the thrust of Wilhelm's as-yet-undeclared candidacy is so crucial to labor's survival. At the same time, that's also why the prospect of the crumbling of labor's central body, and the internecine warfare that may break out in its wake, is so perilous.

"Where the hell is Moses when you need him?" O'Sullivan said in his talk to the Teamsters in Vegas. "I mean, parting the Red Sea is nothing compared to the challenges we face as a movement." With no Moses on the horizon, and with the future of America's working and middle class very much at stake, labor now needs to make its own miracles. **TAP**

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A Tax Plan for Progressives

A simpler and fairer tax code—one that rewards the hard work of the American middle class—can be good policy and smart politics.

BY JOHN S. IRONS AND JOHN PODESTA

FOR FOUR YEARS PRESIDENT BUSH HAS TOUTED his tax cuts as an economic cure-all, but middle-income workers have instead watched helplessly as the tiny tax cut they received has gone to pay for higher property taxes, tuition increases, and exploding medical costs. While the conservatives' tax initiatives have wreaked havoc on people barely living on their paychecks, wealthy taxpayers have enjoyed ever-higher incomes taxed at stunningly lower rates. Furthermore, Bush's tax cuts have wrecked public services and undermined prospects for long-term economic growth.

Progressives share a responsibility to not only oppose the conservative tax program but to offer a sensible alternative: reform to make our tax system fair, simple, and fiscally responsible. We need to see to it that middle-class Americans get the relief they need, and that our nation has the wherewithal to make the investments it must.

Since coming to Washington, President Bush has launched a series of initiatives to shift America's tax burden onto the shoulders of the middle class. The most notable were the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The 2001 tax change phased in significant reductions in federal income-tax rates, phased out the estate tax, and provided modest tax breaks for families with children and for married couples. While most people remember a tax-refund check in the range of $300 to $600, the law also mandated a reduction in the tax rates in the top four brackets of at least 3 percentage points, and the creation of a new 10-percent bracket. In addition, there were other provisions that benefited upper-income taxpayers and those with significant annual retirement savings.

The president's 2003 tax change accelerated the phase-ins of the 2001 law while slashing the taxation of dividends and capital gains. Prior to the 2003 tax change, dividends were taxed according to the same rate schedule as ordinary income. The 2003 law taxed dividends at 5 percent and 15 percent to match the tax rates on capital gains, which were lowered from 10 percent and 20 percent. The oddly named Job Creation and Worker Assistance Act of 2002 reduced taxes for new business investments. And the American Jobs Creation Act of 2004 replaced export trade subsidies with myriad tax credits for businesses. Of the $140 billion in corporate tax giveaways under that legislation, importers of Chinese ceiling fans received about $44 million worth of lower import duties.

One result of these tax-code changes is that middle-income workers today can easily find themselves paying a tax rate on their wages *double* the 15-percent rate that millionaires pay on their investment income. The immense tax burden placed on wage earners mocks a core American value: our belief in fairness. Forcing middle-class workers to bear a greater share of the cost of government weakens their support for needed investments and stirs resentment toward those who depend on public services the most. In this respect, the tax policy enacted by the president and his supporters has less to do with conservative economics than conservative politics—promoting anti-government sentiment within the middle class and votes for politicians who echo it.

TRAGICALLY, THE ARGUMENT AGAINST THE BUSH TAX agenda was never heard. Instead of offering a progressive counter-narrative, Democrats too often allowed the right to set the terms of the debate. As a result, even those rare victories, such as the middle-class tax relief Democrats gained in the 2001 tax bill, were dwarfed by the system's growing regressivity.

While disappointing, the Democrats' dilemma is hardly surprising. Since the emergence of California anti-tax crusader Howard Jarvis and the state tax revolts of the mid-1970s, conservatives have transformed what should be a movement for tax fairness into a jihad against government spending. The right understands the language that taps into the public's anger and is not afraid to use it. Fearful of being branded "tax and spend liberals," many Democrats have too often chosen to run for cover, raising their heads only to plead for the status quo.

Is that the way it has to be? Hardly. Progressives can not only fight for fair taxes; we can even win. Opinion research tells us that most Americans regard President Bush's elbow-on-the-scale approach to tax rates as fundamentally unfair. What many are beginning to recognize is that it is also unsustainable. One

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Democracy Corps poll in April of this year found respondents, by a margin of 74 percent to 17 percent, saying that the country is headed in the wrong direction on the federal budget deficit. Other polls have consistently found strong support for repealing some or all of Bush's tax changes if it means reducing the deficit or financing health care, education, and other priorities.

Last year, federal revenue, as a share of the economy, fell to its lowest level in nearly 50 years—just 16.3 percent of the gross domestic product. As a result of the right's efforts to "starve the beast" and lower taxes for America's wealthiest taxpayers, even a booming economy would leave the federal government trapped in a massive fiscal hole.

Yet what sticks in the craw of many Americans is not only that the conservative tax agenda favors the wealthy and fails to respond to budget deficits; it also is that, under President Bush, the tax code has become more complicated than ever. Since 2001, 10,000 pages have been added to the tax code and related regulations. One result of this tinkering and tweaking is that millions of American families will soon be ensnared in the additional complexity of the dreaded alternative minimum tax (AMT). Because the AMT is not indexed for inflation, and because the 2001–03 tax changes lowered tax shares of upper-income taxpayers without permanently adjusting it, the Urban-Brookings Tax Policy Center estimates that by 2010, as many as one-third of taxpayers will be affected by the AMT at a cost of more than $100 billion.

Americans don't want to blow up our tax system and start over. Instead, we want to restore the values of progressive taxation that have historically guided U.S. tax policy. The federal income tax—the cornerstone of the tax code—needs to be restructured, simplified, and broadened. This means eliminating loopholes for corporations and wealthy individuals, simplifying the rate structure, and reversing the trend of unfairly lower tax rates on the capital income of the wealthiest Americans.

THE MODERN ECONOMY IS INCREASINGLY DRIVEN BY jobs in which advanced skills play an important role, and in which "human capital" is as important as physical capital, if not more so. A tax system that rewards wealth and accumulated capital at the expense of work and skill flies in the face of this fundamental economic change.

The Center for American Progress has put forward a new proposal to make the tax code fair, simple, and supportive of new economic opportunity. We would tax all forms of income according to the same rate schedule. This change would end preferential treatment for income from capital (wealth) over income from work by setting capital gains and dividend taxes equal to the tax rates on ordinary income.

We also would provide relief for the most regressive part of the system, the payroll tax. The Social Security payroll tax is currently 12.4 percent and split evenly between workers and their employers. The center's plan would reduce the tax rates on work by eliminating the employee side of the Social Security payroll tax. This would mean an immediate 6.2-percentage-point reduction in the tax rates on the first $90,000 of income from salaries and wages. At the same time, we would make the employer side of the payroll tax less regressive by requiring employers to pay taxes on payroll incomes above $90,000.

We would revamp the income-tax rate structure by reducing it to three tax brackets with tax rates set at 15 percent, 25 percent, and 39.6 percent—which we would also set as the tax rate on capital gains and dividends. The brackets would be set at taxable income levels of $0, $25,000, and $120,000, with a $10,000 standard deduction for married couples.

The net cost of the payroll-tax change would be about $3 trillion over 10 years (the $3.7 trillion in lost payroll-tax revenue would be partially offset by an additional $700 billion raised by eliminating the cap). However, the reformed tax system would raise federal revenue overall by about $500 billion

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when compared with President Bush's policy. Because most taxpayers pay more in payroll taxes than in income taxes, the tax savings for middle-income households would be significant.

This simple restructuring of the tax code would also include an elimination of the AMT, rescuing 30 million taxpayers from the snare of complicated and expensive tax filings over the next several years. We would also reduce the income level needed to qualify for the full child tax credit, enabling more low-wage workers to receive it. By raising additional revenue, this simpler, fairer tax plan would also reduce the deficit and create a stronger foundation for economic growth.

Unlike the trifecta of right-wing tax-policy reforms—a flat tax, a value-added tax (VAT), or a national sales tax—our plan would maintain the current deductibility of charitable giving, home mortgage interest, state-tax deductibility, and other deductions in their current form. We believe that there is room enough to raise revenue without eliminating valuable deductions that serve important social interests.

Finally, the center's plan would replace the upside-down retirement savings deduction with a refundable credit. Currently, those in a higher tax bracket receive a greater tax benefit from retirement savings. For example, someone in the 15-percent bracket receives a 15-cent reduction in their tax share for each $1 saved in a tax-preferred retirement account, while those with higher incomes in the 35-percent bracket receive a 35-cent reduction. Under our plan, everyone would receive a 25-percent refundable credit for retirement savings.

The center's plan would also retain current limits on contributions to these tax-preferred retirement accounts. For instance, a $1,000 contribution to an IRA would give taxpayers a $250 credit on their taxes—and the credit would be refundable to guarantee that low-income Americans would receive the same savings incentives as upper-income families. More than 60 million Americans would thus have a new or increased incentive to save.

Retirement savings would also be enhanced by exempting a portion of long-held assets from capital-gains taxes for those earning less than $1 million a year. In addition, the plan would raise and dedicate enough money to the Social Security Trust Fund from general revenues to fill half of the gap between dedicated revenue and payments in the Social Security system.

A portion of the added revenue raised by our system could be used for further retirement savings incentives, which would offer additional matching funds for low-income savers while phasing out matching funds for those with annual incomes greater than $100,000. We would also include a modest automatic contribution for low-income families, who are often unable to contribute due to a lack of disposable income. These accounts would be managed in a cost-effective manner limiting personal risk. This enhanced savings and retirement wealth would provide an important supplement to Social Security.

Simplifying the system by eliminating loopholes at the corporate and individual levels would save billions of dollars and offer an added degree of horizontal equity. In addition, the plan would retain a reformed estate tax, an important backstop to a fair and efficient tax code. Our proposed $2.5 million exemption per individual ($5 million per married couple) would ensure that small family farms and businesses are not burdened by the tax, while preserving the estate tax on the very wealthy.

These changes are genuine reforms that would restore progressivity to the tax code, while at the same time raising additional revenue. With the center's plan, more than 70 percent of Americans earning less than $200,000 a year would see an average tax cut of about $600. Those making more than $200,000 a year—the primary beneficiaries of the Bush tax changes—would see an increase in their tax share. Overall, the plan would raise nearly $500 billion over 10 years when compared with Bush's tax proposals.

What's more, the center's tax plan would promote growth by reducing the deficit and boosting national savings, by rewarding work and promoting "human capital" formation through lower taxes on wages, and by expanding incentives to save for more than 60 million tax filers.

Under the center's plan, the CEOs of large corporations and other very wealthy Americans would have a tougher time dodging their tax responsibilities. And in a return to America's progressive values, this tax plan would make it clear that wealth and investment are no longer preferred to the hard work of the American middle class.

As the Social Security debate moves to the back burner, we will likely see a renewed drive by conservatives to replace the income tax with a flat tax, a VAT, a consumption tax, or even a national sales tax. While the details of each plan differ, their main thrust is clear: more of the same failed economic policy that rewards capital and the wealthy at the expense of work and the middle class.

Does the center's plan offer progressives the means to fight back and win? We think so, and we are not alone. Nobel laureate Robert Solow contrasted our proposal with other plans and endorsed it as not only fair but plausible. "When anybody tells you that they have a tax scheme which will allow you to file your income-tax return on a postcard, I often wonder where that postcard is going to be postmarked—someplace like Neverland," Solow said. "We're talking here about things that could, in fact, actually be done."

Ultimately, whether these things are done is less a question of economic science than political science. After all, it is of little consequence if progressives master the former but repeatedly fail in the latter. In 1995, Bryan Gould, a former Labour member of the British Parliament, recalled his own party's shortcomings in addressing tax policy, saying, "We found ourselves bogged down on an issue [taxation] which, notwithstanding Tory ineptitude, our opponents were bound to capitalize on in the end."

Today the stakes are far too high to allow our opponents to capitalize on tax policy any longer. For Democrats, the time to speak out for progressive tax reform is now. If they fail to, Americans will be paying the price for President Bush's ineptitude for generations to come. **TAP**

John S. Irons *is the Center for American Progress' director of tax and budget policy.* ***John Podesta*** *was President Bill Clinton's chief of staff from 1998 to 2001 and is currently the center's president and* CEO.

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Talking Taxes

Can progressives turn public ambivalence over tax policy into winning politics?

BY ROBERT L. BOROSAGE AND CELINDA LAKE

GEORGE W. BUSH HAS MADE TAX CUTS THE touchstone of his presidency, supporting new ones each year, with the economy in growth and in recession, with record budget surpluses and record deficits, in peace and in war. Most of his fellow Republicans have sworn blood oaths never to raise taxes. They even managed to gain overwhelming popular support for repeal of the estate tax—perhaps the nation's most progressive tax, affecting less than 2 percent of the wealthiest few—by renaming it the "death tax" and peddling a big lie about protecting family farms and small businesses.

Most Democrats, meanwhile, are loath to talk about taxes. "Spend and tax" Democrats sensibly prefer to emphasize the benefits of the spending, not how it is paid for. While President Clinton pushed through tax increases on the affluent as part of his first deficit-cutting budget, he focused rhetorically on putting people first and balancing the budget, not on progressive taxation as good policy for its own sake. Later, Clinton and then Al Gore championed smaller, targeted tax cuts as a way to counter the Republican call for across-the-board breaks. When Bush was elected, Democrats preemptively embraced a modestly more progressive tax-cut package with a cost only slightly smaller than the Bush plan.

In 2004, John Kerry campaigned on rolling back Bush's top-end tax cuts in order to lower the deficit and pay for health-care and education investments. He wasn't hurt by this, but he wasn't helped much, either. His economic agenda was generally overshadowed by the debate on national security and social issues, and taxes ranked relatively low among voters' concerns.

NOW, WITH LARGE DEFICITS PROJECTED AS FAR AS THE eye can see and a sluggish economy desperately in need of public investment, Democrats have to figure out what to say about revenue. We simply can't finance activist government without paying for it. Bush and the Republican Congress are pushing to make their tax cuts permanent, while adding billions more in new tax breaks for the wealthiest Americans. And Bush is planning to roll out "tax simplification and reform" this fall, most likely code for a program aimed at further reducing taxes on wealth and corporations—and increasing them on workers and consumers.

In this debate, progressives and the Democratic Party have largely been missing in action. At a time of Gilded Age inequality—with CEO salaries ballooning and corporate America carrying ever less of the nation's tax burden, even as workers' wages stagnate—only a few groups such as Responsible Wealth have issued a populist demand for fair taxes, or for taxing the rich.

But it *is* possible for progressives to make tax equity good politics. The following examination of the public's views about taxes, based on recent opinion polling, lays out the elements of a strategy.

Fair but too high. General attitudes on taxes are not as conservative as our political debate suggests. No one really likes to pay taxes, but in the wake of September 11 and two wars, a solid majority of Americans (61 percent to 34 percent) think that the taxes they pay are fair, according to a Gallup Poll conducted in April. Consistent with other times in our history, these numbers reflect the dramatic way that war and national-security concerns influence public opinion. In World War II, Gallup surveys showed that eight out of 10 Americans believed that their taxes were fair. In 1999, near the end of the stable and affluent Clinton years, nearly half of the public (49 percent) thought that their taxes were unfair, while 45 percent called them fair. The polls shifted again dramatically after 9-11.

At the same time, somewhat incongruously, a bare majority of Americans (51 percent) say that they think their taxes are too high, as opposed to the 44 percent who think that their taxes are about right. Nearly 30 percent of those who think that their tax burden is fair *also* say that they pay too much in taxes. But attitudes here have also changed dramatically since 9-11. In 1999, more than two-thirds of Americans thought that their taxes were too high (Gallup, 2005).

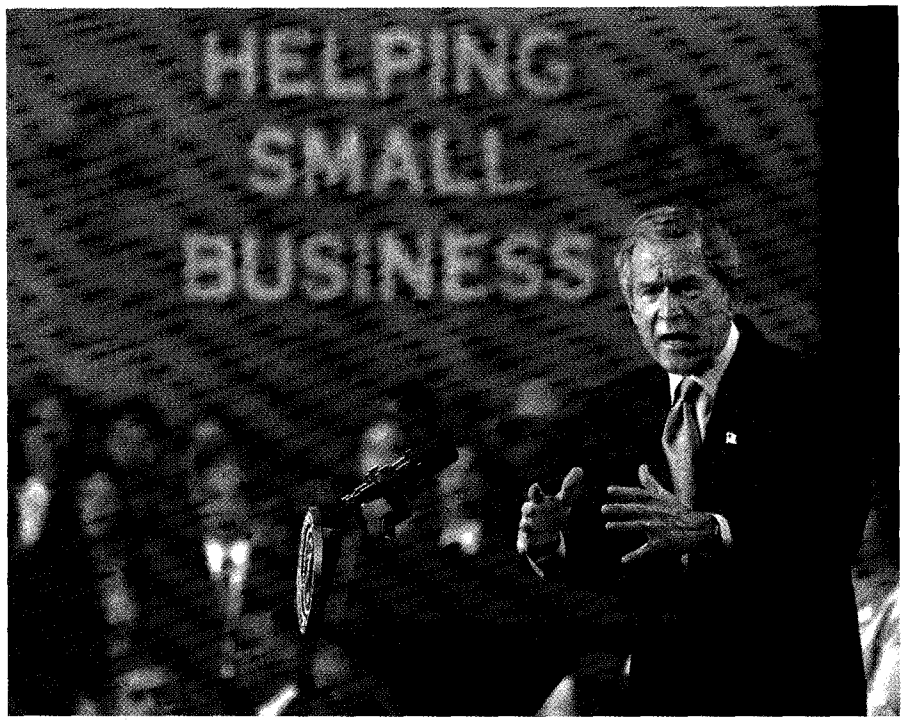
Bush's tax giveaways have given Democrats of all stripes occasion to argue against tax cuts for the wealthiest Americans and tax loopholes for corporations. And polls suggest significant public support for progressive taxes. An NBC News poll in April found that 55 percent of respondents preferred a system "like the one we have now, with higher rates for people with higher

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incomes," while 39 percent favored "a flat tax with the same rate for everyone and no deductions allowed." Similarly, research for the Center for American Progress the same month found 64 percent supporting progressive taxes over 32 percent favoring "the same rate regardless of their income," according to a poll by Penn, Schoen & Berland.

Ask more of corporations and the rich. Strong majorities also believe that corporations and the rich aren't paying their fair share of taxes. Gallup's April survey shows that more than two-thirds of Americans agree that too little of our taxes are paid by corporations (69 percent say "too little"; 21 percent say "fair share") and "upper income" earners (68 percent say "too little"; 22 percent say "fair share"), while a slight majority thinks that lower-income people pay too much. Somewhat astonishingly, even a majority of those who describe themselves as upper class or upper middle class (16 percent of the population) agree that upper-income earners pay too little in taxes.

The Center for American Progress poll shows that the public overwhelmingly (by a margin of 77 percent to 20 percent) supports a reform that would "increase the percentage of federal revenues paid by corporate America and close loopholes used by companies to avoid taxes." The same poll also shows widespread support for a range of initiatives to make the tax code more progressive. By 69 percent to 28 percent, for example, respondents favor reform that would cut taxes for middle- and lower-income families while "raising taxes on those making more than $200,000 a year." (Americans are generally wary about "tax the rich" rhetoric, because all Americans want to strike it rich. Using an annual income figure—$200,000 or higher—is more effective.)



No Sale: Many surveys show that voters don't believe what Bush is selling.

Similarly, in the current Social Security debate, the most popular reform option by far is to lift the cap on Social Security payments and have everyone pay at the same rate on their income. A January poll by Lake, Snell, Perry, Mermin & Associates shows 75 percent of the public in favor of (and 19 percent opposed to) such a plan. Even two-thirds of voters with annual incomes greater than $100,000 say that they support that reform. A strong majority continues to staunchly support this reform, even after hearing the proposal characterized as a steep tax increase.

In any discussion of national priorities, concern about taxes currently falls below worries about the economy and jobs, health care, the Iraq War, terrorism, and education. So on any single tax proposal, opinion is often unformed and fickle. For example, when it comes to income from investments or capital gains, 64 percent of respondents to the Center for American Progress poll thought that such income should be taxed at the same or greater rate than other income, while 28 percent thought that it should be taxed at a lower rate. But a proposal to lower taxes on capital gains and income from investments to encourage economic growth was supported by a hefty margin of 72 percent to 22 percent.

Investments trump tax cuts. Because most Americans think that the government wastes much of the money it is given, tax cuts always have some attraction. People believe that if waste were eliminated, they would not be forced to choose among the investments they want (in health care and education, for example), balanced budgets, and tax cuts. That said, in any discussion of priorities, a majority of Americans do not rate tax cuts first. Clinton used "save Social Security first" to trump Newt Gingrich's demand for a large tax cut. When Bush first made his case for tax cuts at a time of record budget surpluses, much of the public was skeptical. Polls suggested that people preferred investments in education and health care, or reducing the deficit to save Social Security, over tax cuts. Bush sold his tax cuts by promising that he could reduce the deficit, save the Social Security surplus, make investments in education and health care, and then, "with the money left over," still fund broad tax cuts. (The president has never allowed truth to interfere with his patter.)

Now—with deficits soaring, the president claiming that Social Security is in trouble, and new cuts coming in education and health care—the public is even more wary of tax-cut promises. Asked how to reduce deficits, voters solidly choose raising taxes on large corporations and the wealthy as the best ap-

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proach. An April poll by Lake, Snell, Perry, Mermin & Associates shows that most voters say that the Bush tax cuts made no difference for their families, and almost half didn't know how much they received. Moreover, the stagnant economy raises people's doubts about tax cuts as a growth strategy. An April NBC News/*Wall Street Journal* poll, for example, found that 54 percent agree that the "tax cuts have not been worth it because they increased the deficit and caused cuts in government programs," while only 38 percent say that they were "worth it because they helped strengthen the economy."

Instead, the public tends to support a broad investment argument over a deficit-reduction one. When it was posed as a choice about what is more effective in stimulating the nation's economy, a *Los Angeles Times* poll in January showed that a solid majority—60 percent—favored a strategy focused on "spending for improvements in the country's infrastructure such as roads, bridges and schools" over tax cuts (34 percent). Respondents were split between a strategy focused on "returning money to taxpayers through tax cuts" (46 percent) and one focused on "reducing the federal deficit and paying down the national debt" (45 percent).

Support for shutting down offshore tax havens and closing loopholes was strong with weakly partisan Democrats (66 percent) and independents (57 percent), and even attracted many Republicans (50 percent).

Closing loopholes, collecting taxes. In the early years of the Gingrich Congress, Republicans launched an attack against the Internal Revenue Service, holding show hearings about Americans who had been mistreated by the agency. Kicking the IRS seemed like good politics, and Republicans proceeded to cut the agency's enforcement budget.

But with people feeling pressed by rising property and local taxes and worried about service cuts, anger is growing at the way corporations and the wealthiest Americans avoid paying taxes. An April poll by Lake, Snell, Perry, Mermin & Associates for the Institute for America's Future contrasted an argument for collecting taxes against the claim that this would constitute a tax increase that would hurt the economy. More than half (53 percent) of Americans favored shutting down offshore tax havens and closing tax loopholes, compared with 34 percent who considered this kind of tax enforcement to be a backdoor tax increase. Support for tougher enforcement was particularly strong with weakly partisan Democrats (66 percent) and independents (57 percent), and even attracted many Republicans (50 percent).

And when proposals to stiffen tax enforcement are framed as a way to fund investments in Social Security and Medicare or avert cuts in health care and education, 50 percent favored aggressive collection. This argument seemed less attractive to independents, but it earned strong support among Republicans, voters under age 30, those making the least money (less than $20,000 a year), and those making the most ($100,000 and up).

PROGRESSIVE OPPORTUNITY

What's a game plan for progressives? Democrats would be well advised to tie Bush's top-end tax cuts to the failure of his economic agenda. We're four years into the supposed recovery and there is still a net loss of private-sector jobs. Wages aren't keeping up. Tax cuts for corporations and the wealthy weren't tied to investment here at home. Republican policies created more jobs in Shanghai than in Saginaw. Democrats should say it loudly: If we take some of that money and invest it at home in alternative energy, roads, and schools, we'll create more jobs and more growth and make our economy stronger.

At the same time, Democrats should champion the message that corporations must pay their fair share—especially in a time of war. Close down loopholes, crack down on offshore tax shelters, and ensure that corporations pay the taxes they owe.

In the coming tax-reform debate, the Democrats' argument about fairness should be linked to an argument about economic growth. Simplify the tax code and make it more progressive. Tax income on wealth at the same rate as income on work. Give low-wage and middle-income earners a break while raising taxes on the wealthy and corporations. Invest in areas vital to our economy. That would help generate demand and produce jobs here at home rather than chasing them overseas.

While Democrats are championing reform and linking it to economic growth, progressives need to drive a far more populist argument. Why not raise taxes on the wealth of the super-wealthy to invest in a fair start for every child, including health care, nutrition, preschool, and the basics in education? We should push for special tax levies on those who make $500,000 or more to invest in basic education and health care. Already in states as different as New Jersey and Indiana, governors of both parties have backed targeted taxes on high-income earners—in Indiana, the surtax kicks in at $100,000 annual household income; it's $500,000 in New Jersey—to avoid deeper cuts in programs.

Republicans lead Democrats with the public as the party that will hold the line on taxes—and they likely always will. But today's circumstances—America at war with deficits rising, Bush's failed economic strategy—provide a strategic opening for those of us who value greater social and economic equity. It's time to make the argument for public investment in education and the economy, and to link it to a campaign against the loopholes and tax dodges that allow corporations and the well-heeled to avoid paying their fair share of taxes. This would set the stage for contrasting Bush's regressive tax-reform efforts with a bolder progressive tax-reform package, one that would support the investments that can get this economy going. TAP

Robert L. Borosage *is co-director of the Campaign for America's Future and co-editor of* Taking Back America, *and* Taking Down the Radical Right. ***Celinda Lake*** *is president of Lake, Snell, Perry, Mermin & Associates.*

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Bush's Tax-Deform Panel

The president's panelists are saying some of the right things, but their "reform" package is a hoax—that can be turned into an opportunity.

BY ROBERT S. McINTYRE

THE PRESIDENT'S ADVISORY PANEL on Federal Tax Reform is mouthing some surprisingly attractive lines about improving our tax system. A panel appointed by Mr. Big Deficits points out that "we have lost sight of the fact that the fundamental purpose of our tax system is to raise revenues to fund government." Mr. Loophole's appointees argue that "a rational system would favor a broad tax base, providing special treatment only where it can be persuasively" justified. Despite President Bush's devotion to shifting taxes away from the rich, his panel insists that we need to "share the burdens and benefits of the tax system in an appropriately fair and progressive manner." And it solemnly pledges that its July 31 report will "recommend options that are revenue neutral"—that is, no more unaffordable tax cuts.

Wow! This sounds pretty good. But sadly, it's all a hoax.

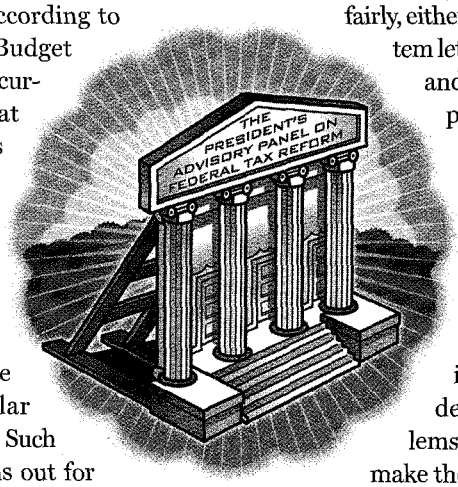
You might begin to suspect as much by looking at the panel's makeup. As is traditional with Bush, the top posts are held by corporate lobbyists. The chairman is former Senator Connie Mack, a man of firm beliefs about taxation. The first is that the rich pay too much, while the middle class and the poor pay too little. That's why, as a senator, Mack cosponsored the Dick Armey "flat tax" bill. His second strongly held belief is that two plus two equals some number much larger than four.

The panel's vice chairman is former Senator John Breaux, a man of no apparent principles other than that a bad deal is always attainable. In 2001, Breaux helped broker a "compromise" with Bush's initial tax-cut plan that pretended to be slightly smaller than Bush had originally proposed, but turned out to be almost identical.

To top it off, Bush has detailed two officials from his Treasury Department to head the panel's staff and ensure that the panel doesn't deviate from the president's irresponsible, regressive approach to tax policy. With these folks in charge, the panel, despite its appealing rhetoric, is not going to deliver true tax reform. Tax *deform* is more accurate—as a close reading of what the panel has already said makes clear.

Without a doubt, though, the biggest travesty involves how the panel plans to define "revenue neutral." This term has a precise meaning: raise just as much revenue as current law.

To be sure, maintaining current-law revenues isn't anything to brag about, given our deficit mess. According to the Congressional Budget Office, sticking with current law means that for the rest of this decade, non–Social Security federal revenues will, as a share of the economy, average 21 percent less than in fiscal year 2000, the last time the regular budget was balanced. Such a huge shortfall calls out for raising taxes right now.



But after 2010, when Bush's tax cuts are scheduled to expire, things start looking up, even under current law. By fiscal 2012, non–Social Security revenues are expected to be only 9 percent below their 2000 level as a share of the economy, and the gap will fall to 6 percent by 2015.

So a plan that maintains current-law revenues would at least offer some fiscal hope down the road. But Bush's panel almost offhandedly dashes that hope. It defines "revenue neutral" to mean something completely different—specifically, the much lower dollar amount that would be collected if most of Bush's tax cuts are made permanent. Even our taxaphobic Republican Congress hasn't figured out how to afford such fiscal profligacy, but the panel blithely plans to call for new tax cuts costing $1.5 trillion (including interest) over their first 10 years, and $5.7 trillion more over the subsequent decade!

To be fair, Democratic presidential candidate John Kerry also played a similar numbers game during his 2004 campaign, so he could pretend that his hugely expensive tax-cut program was a deficit-busting tax increase. But whether it's Democrats or Republicans, asserting that Bush's tax-cut wish list is the status quo is entirely dishonest.

THE PRESIDENT'S PANEL DOESN'T plan to honor its pious lines about closing loopholes and treating people fairly, either. Our current tax system lets many of our biggest and most profitable corporations pay little or no tax. It taxes investment income at less than half the rate that workers pay, and it tolerates rampant upper-income tax sheltering. But rather than deal with these problems, the panel wants to make them worse.

The panel tips its hand when it says it opposes any tax system that "penalizes work, discourages saving and investment, [or] hinders the competitiveness of American businesses"—a tendentious right-wing phrase meant to imply that wages, investment income, and profits shouldn't be taxed. But if they're all off

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limits, what's left? The panel's likely answer will be some variant on a consumption tax—i.e., a tax system that, the panel might say, punishes spending.

A full-blown national sales tax or value-added tax replacement for the income tax seems unlikely, given the public outcry that either of these would cause at the extraordinarily high tax rate they'd require. Indeed, Republicans who pushed a national sales tax in the 2004 elections found that voters detested the idea of paying the additional $3,000 or so a year that all but the richest taxpayers would face. So despite the fact that ultraconservatives like House Majority Leader Tom DeLay still promote the sales-tax idea, Bush's panel will probably tilt instead toward a "stealth" consumption tax—adding still more loopholes for investment income and profits, partially paid for by scaling back some middle-income tax breaks.

One way or another, Bush's panel will definitely call for shifting even more of the tax burden away from wealthy investors and onto workers (penalizing work will turn out to be OK after all). Although such changes may seem "appropriately fair and progressive" to Bush and his panel, the result will be a tax code far more regressive than current law.

STILL, BUSH'S PHONY CALL FOR TAX reform can be seen as an opportunity. First and foremost, we need to stress that Bush's panel is flat-out lying when it pretends that its recommendations are "revenue neutral." In truth, the panel is promoting a $7 trillion tax-cut plan designed to bankrupt our country in perpetuity.

Second, we need to condemn Bush's panel for proposing to further shift taxes away from the rich and onto everyone else. We'll have plenty of allies, because the public is decidedly against paying higher taxes for fewer public services.

Finally, if you asked most Americans what's wrong with the tax system, they'd say that it's unfair and complicated because it has too many loopholes for wealthy people and corporations. Most Americans are right. We need to make it clear that we agree by calling for an end to the hundreds of billions of dollars a year in corporate and upper-income tax dodges. That way we can balance the budget, maintain our country, and stop treating honest, ordinary citizens as tax chumps.

I'm reasonably confident that Bush's phony tax "reforms" will go down in flames. But if we can go beyond that and convince Americans that we have a better way to fix the tax code, we can help set the stage to elect the political leaders we need to achieve that goal. **TAP**

Robert S. McIntyre *is the director of Citizens for Tax Justice.*

Back from the Dead

Look out, Grover! There are rifts within the repeal coalition, so the estate tax—a.k.a. the "Paris Hilton Benefit Act"—isn't dead quite yet.

BY CHUCK COLLINS

ON APRIL 13, THE U.S. HOUSE OF Representatives undertook its annual drill of voting to permanently abolish the federal estate tax, our only tax on inherited wealth. In 2003, the House passed identical legislation. Last time, Congress' projected 10-year cost of repeal was $162 billion; now, it's a cool $290 billion.

The lopsided vote for repeal, with 42 Democrats joining a unified GOP, might suggest that the sun is setting on the estate tax. Anti-tax maestro Grover Norquist characterized it as "flopping around like that stupid fish in the boat." "It's over, fish," Norquist declared in one interview. "You're done!"

But an obituary (or fish fry) is premature. Thanks to gridlock in the Senate and mounting deficit concerns, pressure is building for *reform*, not elimination, of the tax. This pushback is coming from budget hawks, officials in states that continue to tax inherited wealth, and progressive organizing. Public opinion is shifting, as budget cuts begin to trickle down into local communities and school districts.

Under the federal tax cuts of 2001, the estate tax is phased out between now and 2010, with the wealth exemptions increasing from $1.5 million to $3.5 million for individuals, double for married couples. But without congressional action, the 2001 tax law will revert back to its pre-2001 provisions, a 55-percent rate and a $1 million individual wealth exemption.

The pressure to abolish the estate tax comes from anti-tax groups like Norquist's Americans for Tax Reform, the National Federation of Independent Businesses, newspaper owners, and front organizations funded by America's richest clans, including the Mars candy, Gallo wine, and Wal-Mart families. America's wealthiest family channeled political contributions from Walton Enterprises and retained lobbying powerhouse Patton Boggs to advocate for the family's interests.

But at a time of glaring budget deficits, Republican moderates like Senators George Voinovich and Olympia Snowe, who have supported repeal in the past, are unlikely to back complete abolition now. In response to their own dire budget situations, 18 states and the District of Columbia have voted to retain state-level estate taxes. In Washington state, a lively coalition of children's advocates and progressive Microsoft millionaires successfully lobbied the statehouse in Olympia to levy a new tax on estates over $2 million. This effort had the support of newly elected Governor Christine Gregoire.

The Iraq War, moreover, dramatically highlights the grotesque inequality of sacrifice, with families of GIs having to raise money for Kevlar armor. "During the Civil War, rich people could buy their way out of the draft," said Charlie Richardson, co-founder of Military Families Speak Out. "Now the wealthy don't have to pay anything to avoid military service—and they get big tax cuts on top." Likewise, Senator John McCain has

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pointed out that our country has never given tax cuts to the wealthy during a time of war.

Rifts are also growing within the repeal coalition. The Small Business Council of America is challenging the hardcore repeal position of the National Federation of Independent Businesses. The council joins the 250,000-member National Farmers Union, which has become more outspoken in its opposition to repeal, even as President Bush insists that "killing the death tax" will "save the family farm."

In their new book about estate-tax politics, *Death by a Thousand Cuts*, Yale professors Michael Graetz and Ian Shapiro describe how opponents of repeal were caught flat-footed as repeal forces got a 10-year head start framing the issue as an immoral "death tax." They describe how repeal advocates successfully characterized the estate tax as a tax on the "working rich," hosting family farmers and business owners to testify before Congress, even though many weren't rich enough to ever owe any tax at all.

Graetz and Shapiro's advice to opponents of repeal: Refocus the fight as a question about the immorality of unlimited and undeserved inheritances. "Call it the 'Paris Hilton Benefit Act,'" suggested Graetz. Representative Earl Pomeroy, Democrat of North Dakota and lead sponsor of the House reform proposal, suggests linking the revenue from the estate tax to the long-term stabilization of Social Security.

There's strong support in the Senate for maintaining some form of estate tax. The coming debate will be over what constitutes "responsible reform." Here's one formula: By raising exemptions to $2 million for individuals and $4 million for a couple, we could preserve almost 68 percent of the revenue, according to the Center on Budget and Policy Priorities. A more progressive rate structure, with lower rates on estates under $5 million and higher rates on estates over $20 million, would raise comparable revenue to the existing law.

A progressive reform could achieve one of the inheritance tax's original goals from its 1916 origins in the Progressive Era: to raise revenue from those most able to pay and break up swollen concentrations of wealth and power that threaten our democracy. Without a progressive inheritance tax, our own grandchildren will be working to earn dividends for the Walton grandchildren for many years to come.

Watch out Grover—that fish might just flop back in the water. **TAP**

***Chuck Collins** is the co-founder and associate director of United for a Fair Economy and the co-founder of Responsible Wealth, which recenctly advocated for estate-tax reform. He is the co-author, with Bill Gates Sr., of* Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes.

The Easy Money

The deficit will force politicians to look for revenues, sooner or later. They can start with the $350 billion in taxes owed to the government.

BY MAX B. SAWICKY

THE INTERNAL REVENUE SERVICE estimates that some $350 billion in taxes owed to the federal government is evaded or otherwise unpaid every year. That sum, also known as the "tax gap," nearly equals the current federal budget deficit.

Of this $350 billion, enforcement efforts eventually recover about $43 billion—and much more *could* be collected if the nation's tax-enforcement system were permitted to operate more effectively. Most of the tax gap stems from underreporting of net income—reporting too little income or too much in the way of expenses—under the individual income tax. The type of income in question is mostly business income to proprietors, partnerships, "S-corporations," ordinary corporations, and the self-employed, as well as capital income (like dividends and capital gains) to individuals. A lesser part of it derives from wages and salary.

Noncompliance with tax law takes other forms, too, such as the failure to file in the first place and underpayment of stated tax liability. This last bit, worth about $30 billion a year, is money the IRS fails to collect for lack of organizational resources. Here is true low-hanging fruit: The tax debts in question have names and addresses, and could be collected for about $2 billion—making for a pretty good return on investment of 1,400 percent. (If private Social Security accounts were invested in that sort of enterprise, the president might have a viable proposition!) Most other expanded enforcement measures could yield very favorable returns as well.

Inadequate reporting for ordinary workers is not an option. The employer reports wage and salary income to the government, and this provides an instant, computer-driven check on what the individual reports. Moreover, tax is withheld on this income. By stark contrast, the government relies to a great extent on individual taxpayers for information on their business and capital income, and for payment of estimated tax as income accrues.

The fruits of this honor system are predictable. Where evasion is easy, estimated evasion rates are high. The most avid offenders are the self-employed, for whom perhaps 20 percent of income taxes and 60 percent of self-employment taxes owed (for Social Security and Medicare) are not paid.

Among the most egregious miscreants are the wealthy persons who employ highly compensated professionals to push the boundaries of the law through arcane tax-shelter schemes, blending the illegal with the barely legal in a fashion difficult to disentangle. The globalization of finance makes such behavior more difficult to police, as it may be conducted under the protection of conniving tax-haven governments like those in the Grand Caymans or Vanuatu, behind the shield of bank secrecy laws.

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THE TAX JUSTICE NETWORK, A NEW international coalition aiming to reverse harmful trends in global tax policy, estimates that $10 trillion in assets has been stashed in tax havens to escape exposure to the world's tax authorities. No small part of this hoard is thought to have resulted from criminal activity, not to mention ties with international terrorist networks.

At the start of 2001, the Bush administration's take on the offshore problem paralleled its lackadaisical posture toward terrorism. Paul O'Neill, then the treasury secretary, constrained Clinton-era efforts to cooperate with other advanced industrial nations in pursuit of hot offshore money, presumably out of solicitude for the administration's wealthy supporters and allies. Even after September 11, the administration's vigor in this endeavor has been muted. In effect, criminals benefit from financial privacy considerations invoked by the wealthy.

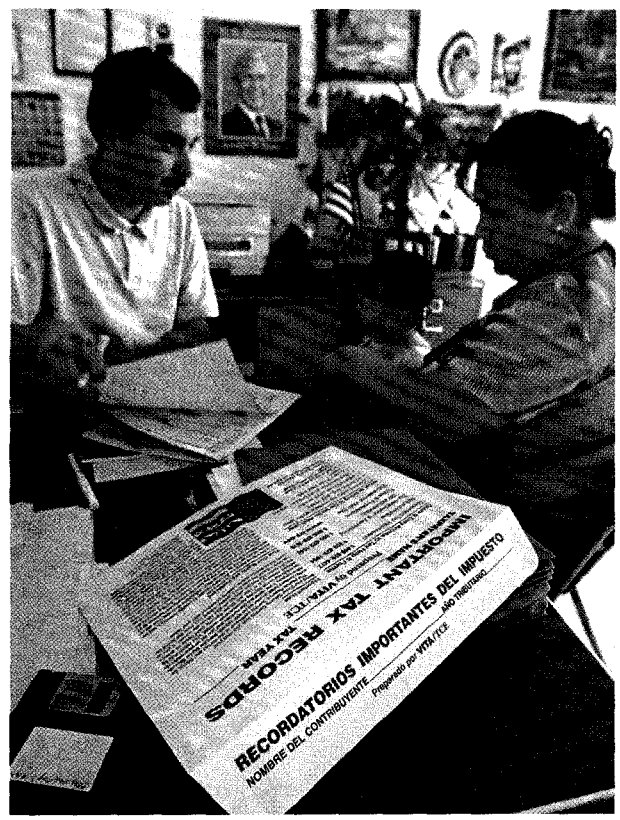
YET FOR ALL THE STURM und Drang over taxes, the United States is blessed with a high degree of voluntary compliance with federal tax law. About 85 percent of all taxes owed are paid on time. But evasion feeds on itself, and in our age of record deficits, inflated defense spending, and burgeoning health-care outlays, we can ill afford to squander such an advantage. Alas, squandering public assets is the current regime's specialty.

An obvious remedy for the understatement of capital income is, wherever possible, to require reporting of income and withholding of taxes on income by banks, corporations, and other sources of dividends, capital gains, and interest. Banks already report interest income to the IRS.

Absent the opportunity to match taxpayers' information to independent sources, the authorities need to scrutinize more returns. That need grows every year with increases in the size of the economy, the number of taxpayers, and the complexity of financial arrangements, corporate organization, financial instruments, and more. But the response of the Republican Congress and the Bush administration has been to deprive the IRS of the resources it needs to keep up with the demands of its job.

Similarly, the threat of being caught by the audit lottery keeps taxpayers honest, but for most, that threat has declined over time. Today, the overall average "face-to-face" audit rate for high-income individuals is a minuscule 0.35 percent (less than four in 1,000), down from 2.9 percent in 1992. For corporations, it is 0.65 percent, down from 2.9 percent as well. This drop is partly offset by so-called correspondence audits, conducted by mail. But even after factoring in these narrow, friendlier audits, the overall rates are still well below those prevailing a dozen years ago.

And why hasn't auditing kept up with the increase in tax returns? There are fewer staff available for enforcement because of deliberate budget cuts. With fewer pairs of eyes, not surprisingly, fewer returns are examined, fewer miscreants are brought to heel, and greater disincentives abound to comply with the law.



The Wrong Target: EITC recipients get too much IRS scrutiny.

The IRS is compelled to process all returns. Checks have to be deposited, and taxpayers have to get their refunds. Thank your Congress for an increasingly complex tax code, which generates its own political demands: The IRS must devote ever-greater resources toward customer service for legions of confused taxpayers. Enforcement is a bottom priority, orphaned by reduced funding—with one notorious exception: the extraordinary enforcement measures directed at the Earned Income Tax Credit (EITC), which mostly benefits the working poor.

Treatment of the EITC is the egregious exception that proves the rule of abysmal enforcement zeal. Out of a possible tax gap of $350 billion, the maximum estimate on overclaims for the EITC is $9 billion. At the same time, too many poor families—equally confused by the tax code—fail to claim the EITC and other benefits to which they are entitled. In this vein, the right-wing furor over errors in EITC claims ought to be some kind of scandal itself. A recent article in *Tax Notes*, the insider's professional tax periodical, recounted an experiment where the same tax information was provided to six professional tax-preparation offices near Washington, D.C. These experts produced six different results—one of which accorded with *Tax Notes*' own reckoning of the correct answer. And here we are, upbraiding the working poor for misfiling their returns!

Tax increases are no fun, but abiding deficit realities will force politicians to search for revenues, sooner or later. In that event, enhancing tax collections without resorting to increases in tax rates should attract interest. We can only hope that an improved political climate will make it safe for elected officials to advocate a little more law and order when it comes to the bad neighborhood of tax compliance. **TAP**

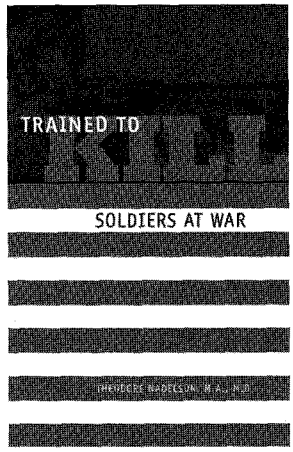
Max B. Sawicky *is an economist at the Economic Policy Institute and the author of the MaxSpeak blog (http://maxspeak.org/mt).*

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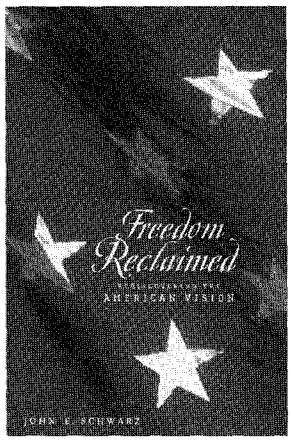
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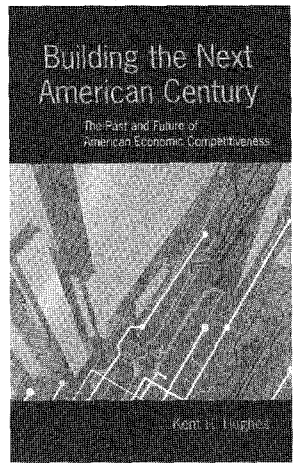


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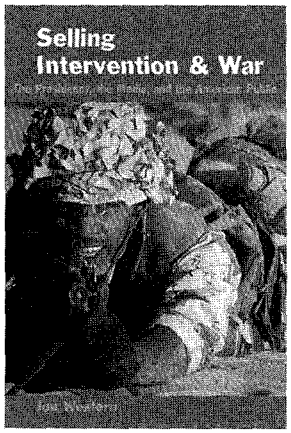
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Jon Western

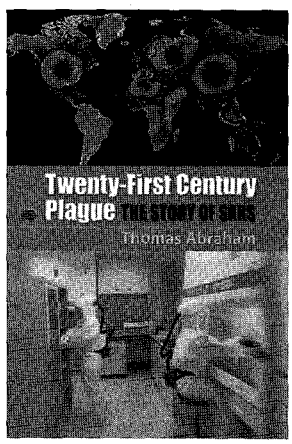
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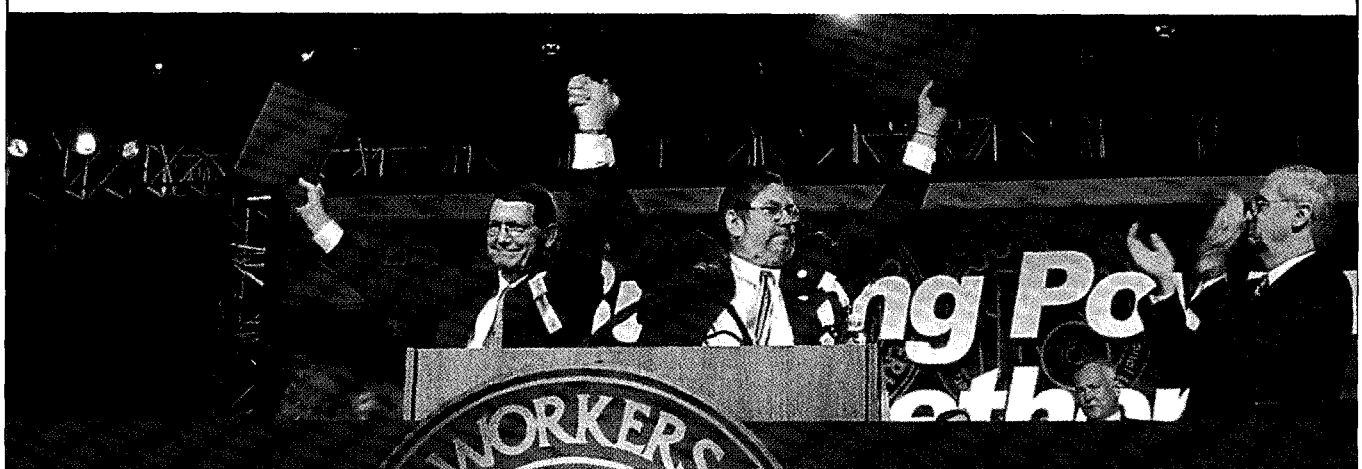
Thomas Abraham

"The rush to contain and unmask the agent responsible . . . had more plot twists than anything Robert Ludlum ever wrote."—*The Lancet*

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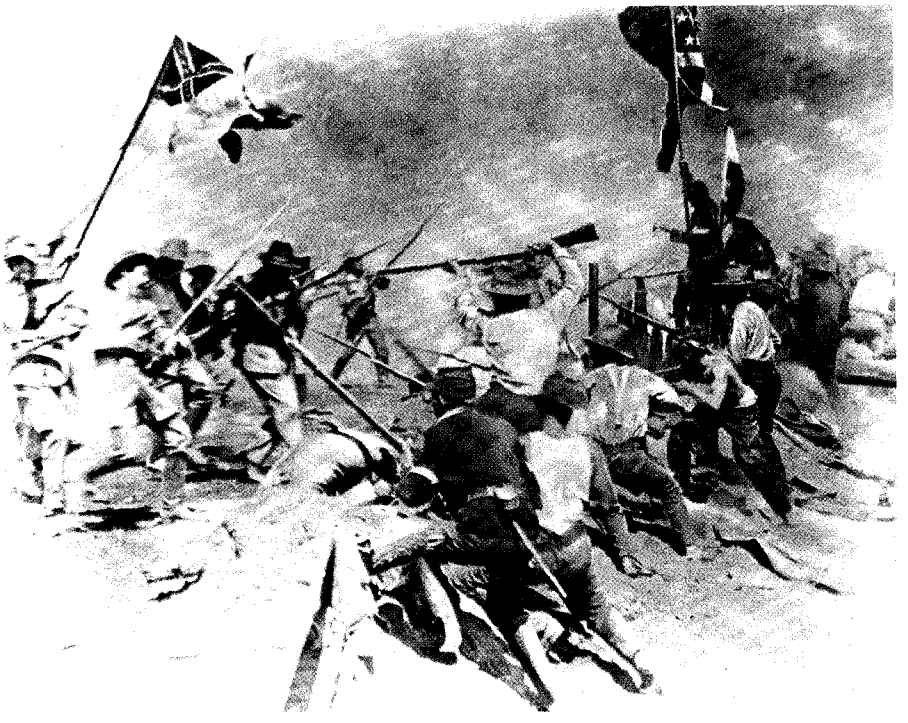
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Culture & Books

"Here is the germ of a program that might unite the progressive and New Democrat wings of American liberalism." — PAGE 74



Good God, Y'all: For D.W. Griffith, war was good for just about everything.

FILM

LIGHTNING, CAMERA, ACTION

As The Birth of a Nation *turns 90, its racism is out of bounds, but its more enduring impact can be seen just by turning on the television.*

BY J. HOBERMAN

CAN PHOTOGRAPHS, MOTION PICtures, and television create social change? Or would it be more accurate to say that these camera-based forms construct a social reality? Michael Moore notwithstanding, the ultimate test case appeared 90 years ago: D.W. Griffith's *The Birth of a Nation*, released throughout America in the spring of 1915, remains the single most important movie ever made in this country, as well as the most inflammatory one.

A culmination of the hundreds of short, two-reel narratives, more or less codifying the language of narrative cinema, that Griffith ground out at the Biograph studio between 1908 and 1913, *The Birth of a Nation* was the longest, costliest, and most ambitious American movie of its day. Imagine an unholy cross between *The Passion of the Christ* and *Fahrenheit 9/11*, combined and rendered mega-*Titanic* (most movies in 1915 were still only 20 minutes long), drenched in the patriotic pathos of *Saving Private Ryan*, and tricked out with the historical shenanigans of *Forrest Gump*. It still wouldn't approximate the magnitude of Griffith's fervent, tendentious, wildly entertaining achievement.

Viewers were inundated with a cascade of images—1,500 separate shots when other features had fewer than 100. Like the Henry Ford of cine narrative, Griffith created an assembly line for cinema meaning; he broke dramatic scenes into component parts and reassembled them for maximum emotional impact. *The Birth of a Nation* hurtled through time and space, making unprecedented use of close-ups, cutaways, and parallel action. The miracle of moving pictures, less than 20 years old, was projected into the past. Griffith gave motion to Matthew Brady's photographs and staged Lincoln's assassination as a "historical facsimile," complete with footnotes. Masses of extras were deployed to recreate the Battle of Petersburg and Sherman's march to the sea. Audiences were swept away; in some cities, the action was pumped with a 40-piece symphony orchestra.

In short, Griffith had produced the wonder of the age: a technological marvel, a masterpiece of promotion, a brilliantly constructed emotional roller coaster, a box-office gold mine—and an utterly unambiguous and ruthlessly demagogic attack on African Americans. *The Birth of a Nation* is not simply the precursor of every Hollywood historical epic, stalker film, and thriller ever made; adapted from a best-selling novel by the Reverend Thomas Dixon that offered a militantly white-supremacist perspective on the Civil War and Reconstruction, Griffith's movie is an ideological horror show, filled with outrageous factual distortions and vile racial stereotypes. In the Gospel according to Griffith, the American nation is born when, as one of the film's climactic intertitles has it, the Ku Klux Klan enables North and

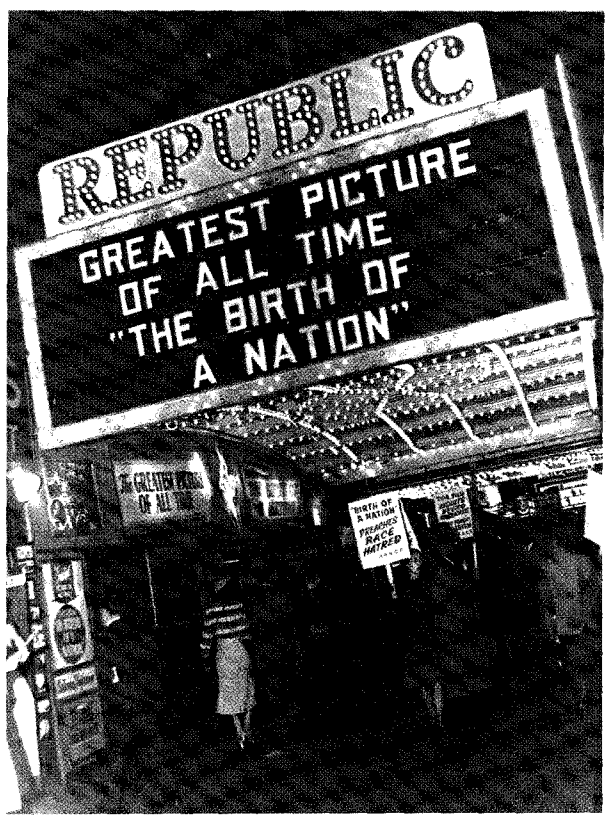
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South to unite in defense of their common "Aryan birthright."

The Birth of a Nation was released for the 50th anniversary of the end of the Civil War—just as America's ultimate trauma was poised to pass from living memory into national mythology. The son of a Kentucky colonel, Griffith took it upon himself to rewrite, and re-right, a historical wrong—an act for which he sought, and received, official sanction. Two days before submitting the movie to the National Board of Review, he previewed it for President Woodrow Wilson and his cabinet. Wilson responded with the ultimate pull quote: "It is like writing history with lightning." The following night the president had it screened for the justices of the Supreme Court and members of Congress.

The film was immediately attacked by many organizations—notably the NAACP, which issued a statement declaring that "every resource of a magnificent new art has been employed with an undeniable attempt to picture Negroes in the worst possible light." But it helped revive the KKK. Some 25,000 Klansmen marched down Peachtree Street in full regalia to celebrate the Atlanta premiere. Contested virtually everywhere it opened outside the old Confederacy, *The Birth of a Nation* was banned outright in Chicago, Cleveland, St. Louis, San Antonio, and Topeka, Kansas. Boston saw the most protracted struggle: Weeks of mass meetings, demonstrations, and even legislative action reached their climax in June 1915 and came to naught when Mayor James Michael Curley simply refused to close the movie.

The Birth of Nation grossed more than $60 million—well over a billion contemporary dollars—during its first run. In New York, where it ran for 48 weeks, tickets were $2, at least 20 times as much as an ordinary picture show. Anticipating the special screenings to which secondary-school teachers escorted their classes, William Randolph Hearst's *New York Evening Journal* advised that, above all: "Children must be sent to see this masterpiece. Any parent who neglects this advice is committing an educational offense, for no film has ever produced more educational points than Griffith's latest achievement." Throughout the rural South and Midwest, exhibitors chartered trains to bring audiences to large cities to see what Griffith had wrought.



Bijou Boycott: Protest during a re-release, Queens, NY, 1947

MARSHALING THE RESOURCES OF its medium, *The Birth of a Nation* made history. More crucially, it changed history—that is, it changed the ways by which the past might be represented. In Griffith's hands, the American past became a melodrama, at once cosmic and intimate. The Civil War is all in the family. The cataclysmic battle is punctuated by sudden close-ups of familiar characters; a distraught fictional mother meets the real Abraham Lincoln, who spares her Confederate son; in one of several metaphoric rape scenes, the Union army invades a specific southern home as the fearful family retreats from room to room.

No one has ever been more expressive than Griffith in subsuming 10,000 casualties in a single battlefield reunion or folding historical calamity in the pathos of an individual soldier's homecoming. But that, of course, is what war has become—and not just on the screen. As the most heavily televised military operation in history, the Iraq War was necessarily an exercise in image making. Although immediately exposed as a staged pseudo-event, the toppling of Saddam Hussein's statue lives on as television, broadcast when necessary to represent Iraq's liberation; the battle for Fallujah was the iconic *Los Angeles Times* photograph of a 20-year-old Marine dubbed the "Marlboro Man" for his battle-stained face and dangling cigarette.

The Iraq War's great human-interest item, the story of Private Jessica Lynch, is precisely the sort of captivity-and-rescue saga Griffith remade a dozen times as a Biograph two-reeler. Human interest is, for Griffith, history's driving force. He locates the impetus for Reconstruction in a sexual liaison between Senator Austin Stoneman, his stand-in for Senator Thaddeus Stevens, and Stoneman's mulatto housekeeper—"the great leader's weakness that is to blight a nation." History is its own allegory. (This sort of filmmaking is hardly restricted to Americans. The fervor with which German audiences embraced the recent *Downfall*, a re-enactment of Hitler's last days in the bunker, is less a testament to Bruno Ganz's performance as a "humanized" führer than the filmmakers' skill in surrounding the devil and his familiars with real yet airbrushed "ordinary" Germans to establish Germany as the first Nazi victim.)

Griffith taught the movies to take history personally, and politicians have been following his lead ever since. No one until Steven Spielberg has been better at pressing America's buttons—unless it was Ronald Reagan, whose uncanny ability to recast American life into a movie starring a wisecracking action hero like him-

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self reached its apotheosis a year ago in the media narratives occasioned by his death. Reagan was resurrected in a particularly awful way when Arnold Schwarzenegger created his own movie within the hyper-designed triumphalist pseudo-event of the 2004 Republican national convention. (What's remarkable is how long it took right-wing Republicans to admit how much they love Hollywood's animated action figures. Would that the misdirected satire *Team America* had taken that for its subject.)

But the melodrama of American politics is not only manifested in choreographed pep rallies, prepackaged "good news" segments, or even the robotic blitz of applied movie-dialogue sound bites that Schwarzenegger offered as a panacea for California's problems. As demonstrated by *The Birth of a Nation*, the scenario rules (and so does demonization). The 2004 election was more or less decided last July with the Republicans' redefinition of John Kerry's heroism and preemptive destruction of his Viet-vet narrative. George W. Bush's premature declaration of victory in Iraq may have been a joke, but it established him as a leader at home in a pilot's costume. For all of Kerry's Hollywood support, he was outacted.

The made-for-TV *DC 9/11: Time of Crisis*, the most significant political movie of the 2004 campaign, went Griffith one better by staging a recent event with a professional cast impersonating the current president and his administration. (There's no precedent: The Kennedys contrived a Hollywood *PT-109* as a run-up to 1964; imagine if it had been a dramatization of the Cuban missile crisis!) Why not construct a narrative improvement on events as they unfold? "We're an empire now, and when we act, we create our own reality," a Bush spokesman famously told reporter Ron Suskind on the eve of the election.

As was made apparent last summer when the Silent Movie Theatre in Los Angeles was forced to cancel a well-publicized screening, *The Birth of a Nation* is all but unshowable today. It is also humiliating to watch. Every year when I teach cinema history, I must convince myself that students need to see and discuss it if they are to understand the country in which they live.

We are all citizens of the state that Griffith prophesied—the empire of total docudrama where actual figures mingle with fictional ones, real events are imbued with storybook logic, and everything is reflected in relentless hype. *The Birth of a Nation* is an object lesson in the manufacture of an image-based spectacle. Creaky as it is, the mechanism still works. The appeal is not to reason.

What's most chastening about *The Birth of a Nation* is its demonstration of what it can do, and, by extension, what all forms of camera-constructed reality can do. Griffith reminds us that movies are an authoritarian medium, that a successful film narrative is largely a function of gross emotional manipulation, and that history may not only be written but rewritten with lightning. **TAP**

***J. Hoberman** is a senior film critic for* The Village Voice *and the author of* The Dream Life: Movies, Media, and the Mythology of the Sixties.

BOOKS

THE DEMOCRACY SOLUTION

THE CASE FOR DEMOCRACY: THE POWER OF FREEDOM TO OVERCOME TYRANNY AND TERROR BY NATAN SHARANSKY WITH RON DERMER PublicAffairs, 336 pages, $26.95

THE DEMOCRACY ADVANTAGE: HOW DEMOCRACIES PROMOTE PROSPERITY AND PEACE BY MORTON H. HALPERIN, JOSEPH T. SIEGLE, AND MICHAEL M. WEINSTEIN Routledge, 290 pages, $27.50

UNCHARTED JOURNEY: PROMOTING DEMOCRACY IN THE MIDDLE EAST EDITED BY THOMAS CAROTHERS AND MARINA OTTAWAY Carnegie Endowment for International Peace, 302 pages, $24.95

BY WILLIAM A. GALSTON

Not long after George W. Bush delivered his June 2002 speech severing relations with Yasir Arafat, a White House reporter wondered whether Natan Sharansky had become one of the president's speechwriters. By the time of President Bush's second inaugural, in January 2005, reporters no longer had to guess at Sharansky's influence. The previous November, the president had received the refusenik-turned-politician at the White House for a lengthy discussion. "If you want a glimpse of how I think about foreign policy, read Natan Sharansky's book," the president later told *The Washington Times*. Sharansky's argument that terrorism can be fought only by expanding global freedom, Bush said, is "part of my presidential DNA."

Like the president, Sharansky is sure that "*all* peoples desire to be free." In one sense, he is right: As we are discovering the hard way in Iraq and should have known from the start, no peoples wish to be ruled by outsiders. Nationalism's power is rooted in this drive for collective self-determination, though Sharansky seems almost oblivious to its appeal. Not only does he fail to acknowledge the ways in which the Israeli occupation, however justified it may be by the need to fight terrorism, has stoked the fire of Palestinian nationalism; he also goes so far as to propose a new interim administration for the Palestinians chosen by a coordinating body headed by the United States! (On May 2, Sharansky resigned from the Israeli cabinet in protest against his government's plan to remove Jewish settlements from the Gaza Strip.)

The difficulties with Sharansky's argument, however, are not limited to blind spots arising from his own particular national perspective. Once rid of a foreign yoke, not all peoples necessarily want a

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democratic government that respects individual and minority-group rights. And while no individual wishes to live in fear, many may be willing to impose fear on others. As far as they are concerned, if only the other guy is living in fear, their society is free enough.

In the long run, democracy rests on generalized norms of reciprocity: If you don't do X to me, I won't do it to you. But many groups around the world are far from embracing this way of thinking about politics. They may be willing to strike a modus vivendi with other groups in their society, but for them it is a temporary truce, to be broken when they have the power to get away with it. This rejection of reciprocity may stem from pervasive mistrust and the fear that others will strike first if they can. Or it may stem from a system of belief that rejects the very idea of legitimate differences. Religious extremism is not just a product of political repression, as Sharansky suggests; it has its own roots. It remains to be seen whether a religion that does not separate church and state and propounds immutable, God-given law as universally valid for all peoples is capable of tolerating its own dissenters, let alone the presence of minority faiths in its midst.

Like the president he admires, Sharansky is a theorist who chooses to ignore differences of culture, religion, and local circumstances in the name of abstract propositions. It is one thing to assert that freedom is a universally valid norm of political morality; another to believe that all peoples accept that norm; still another to insist that it is within the grasp of every nation at a particular historical moment. Nations whose public culture rejects basic democratic principles may be moved toward more decent government and made ready for democracy—but they are not so now. It is neither anti-Islamic nor cynical to make such distinctions; it is reckless not to.



Author Meets Fan: No, sir, it's not called *Neoconservatism for Dummies.*

Sharansky is "certain" that "democracy is not beyond any nation's reach." I suppose this is true at a high level of abstraction, if you make strong assumptions about the capacity of all nations to undergo the kinds of changes that successful democratization requires. But such abstractions can obscure relevant facts. Two examples must suffice. In Sharansky's view, today's Russian democracy refutes those who posited that country's political culture as an important obstacle to democratic transformation. Vladimir Putin, who barely makes an appearance in Sharansky's book, provides more evidence for the skeptics than for democratic universalists.

Sharansky also cites Germany's transformation from fascism to democracy as evidence for generic optimism. Here is how he puts it: "History has shown us that a few years of freedom can make a world of difference. In 1944, Germany had descended into depths that are scarcely imaginable today. A few years later, West Germany, a free society once more, was building its democratic institutions and becoming a peaceful member of the free world."

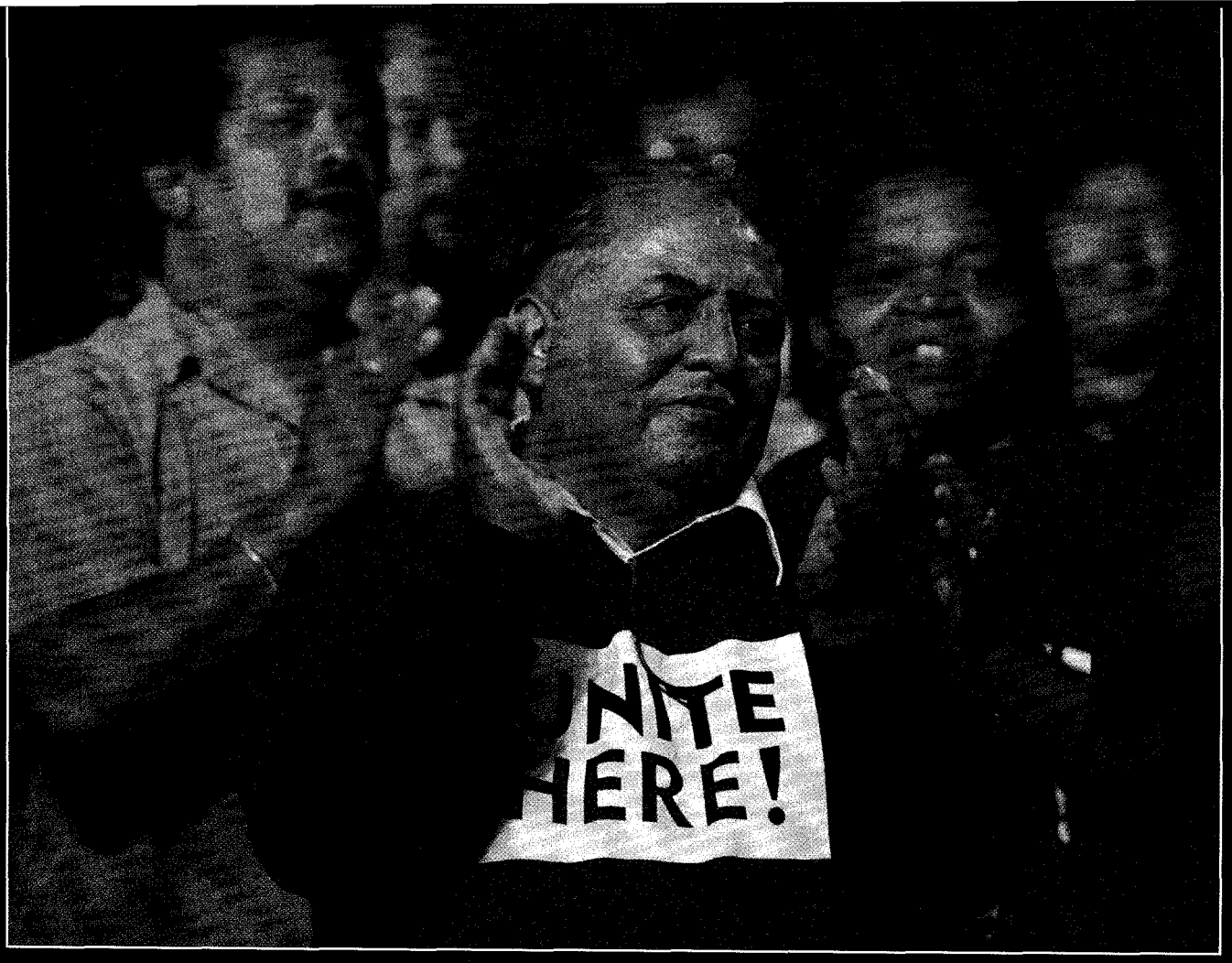
This cheery reconstruction of history leaves a few things out—namely, the circumstances that allowed the United States to achieve this result and the massive effort we had to make to get it done. We occupied—with overwhelming force and for decades—a nation whose previous government had become completely illegitimate and whose people put up no resistance to our takeover. We denazified the elites; we used our power to pulverize the social basis of German autocracy; we rewrote textbooks for German public schools; and we enveloped West Germany in a political-military alliance that left Germans no choice but to set aside nondemocratic habits and revanchist aspirations.

It is preposterous to believe that we could use our occupation of Germany as the template for a global-democratization strategy. As events are proving, we cannot fully replicate it even in Iraq. Not every autocracy is a rotten oak, ready to be blown over by a democratic breeze. Unfortunately, there are a number of nations around the world that would require massive, sustained external pressure to enter a democratic transition. Can we really afford to embark on such a course?

Like Bush, Sharansky insists on what he calls "moral clarity," which consists of the application of simple, stark dichotomies to politics and policy. "The formula I have proposed," he writes, "divides the world into two categories, free and fear societies, with nothing in between." If citizens can walk into a town square and express their views without worrying about arrest, imprisonment, or physical harm, they are living in a free society; if not, in a fear society.

While these categories serve as what sociologists would call "ideal types," they are not fine-grained enough to guide po-

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litical decisions. In the first place, government repression is hardly the only source of fear. When a democratic government is incapable of providing order and reining in violent crime, peoples through history have often turned to autocratic rulers who can get the job done better. Much depends on each group's assessment of whether government coercion is more likely to be used against the perpetrators than against law-abiding individuals such as themselves. Sharansky downplays the extent to which the Nazis attained power through elections driven by fear of deprivation and instability. If anything, it was the weakness of the Weimar Republic, its incapacity to use force and fear against its enemies, that brought an end to German democracy.

By contrast, Sharansky uses the terms "nondemocracy," "fear society," and "tyranny" as synonyms. He offers a simple structural distinction: While governments in democratic societies depend on the people, the people in nondemocratic societies depend on the government. Democratic rulers have incentives to serve the interests of their citizens; nondemocratic rulers serve only their own interests through the coerced acquiescence of their subjects.

Here as elsewhere, Sharansky's hamhanded oversimplifications get in the way of essential distinctions. Not all peoples are equally benign, and not all nondemocratic rulers are equally dangerous. Yes, rulers have often diverted popular discontent from internal failures to external foes. But peoples are sometimes less enlightened and pacific than their rulers. The late King Hussein of Jordan was not a democrat, but toward the end of his life he had become a man of peace whose word many Israeli leaders came to trust. There was no reason for Israel to wait for a democratic Jordan before signing a peace treaty, any more than Israel should have spurned Anwar Sadat's outstretched hand just because Egypt lacked a representative legislature and essential political liberties. Indeed, there is good reason to believe that peace with Israel would not have received democratic assent in either country at the time these leaders acted, or even today.

The real issue is whether, how, and to what extent we can successfully promote democracy. What means should we be willing to employ? What difference do history, culture, and religion make?

Second, freedom isn't like a switch with only two positions, off and on. Most organizations that study freedom establish multiple criteria or point scales to gauge the extent to which different societies have made the transition from oppression to liberty. In this context, the phrase "liberalizing autocracy" is not an oxymoron. It denotes a society in which the social space for dissent is expanding and in which authorities are increasingly reluctant to use force against dissenters. (Without prior processes of liberalization, the peaceful revolutions in Georgia and Ukraine would have played out very differently.)

So there is something between freedom and fear after all—namely, societies in which reformers are struggling against authorities who cling to power and restrict liberty without always resorting to extreme coercion. In such societies (unlike Stalin's Soviet Union), dissenters may be able to say and even publish what they please, as long as they do not establish independent political parties. While these societies are hardly havens of freedom, they are not tyrannies, either.

Sharansky will have none of this. Democratic governments can be trusted to keep their word; nondemocratic governments cannot. Anyone who tries to make peace with an autocrat is naive, or worse. Sharansky castigates Jimmy Carter for suggesting that Syria's Hafez al-Assad might have been trusted to keep the terms of an agreement with Israel: Stalin was a dictator; so was Assad; Stalin couldn't be trusted, and neither could Assad. QED. Sharansky's doubts about the Oslo process turned out to be well-founded, but he was right for the wrong reason. The problem with Arafat wasn't how he was elected; it was that he never really accepted Israel's right to exist or prepared his people for the compromises that a Palestinian state would entail. And unlike President Sadat or King Hussein, he was unwilling to risk his personal security in the pursuit of his people's long-term interests. Sharansky brusquely dismisses fears that installing democratic governments in countries (such as Algeria) facing takeover by religious extremists might be more of a risk to U.S. interests than backing the nondemocratic rulers who keep fanatics out of power. "The democracy that hates you," he insists, "is less dangerous than the dictator who loves you." He has not yet managed, he admits, to convince Ariel Sharon that this theoretical aphorism is an adequate substitute for a serious examination of facts on the ground.

Isaiah Berlin memorably warned us against assuming that all good things hang together and that a single course of action can advance them. In the real world of politics, we must almost always choose among competing goods, based on the facts of specific situations, hoping that we get our priorities and facts right. This uncertainty is what makes political leadership a wager on history. In Sharansky's world, by contrast, good things fit together in a neat package—"the values and interests of the free world are one and the same." Well, sometimes they are, and sometimes they aren't. Suppose that pressuring Pervez Musharraf to democratize Pakistan would bring to power an unholy alliance of radical Islamists and the Pakistani security services. With those fingers on the nuclear button, would India and the United States be safer? You can either rule out this possibility by theoretical fiat, as Sharansky does, or you can do what serious statesmen do: examine the facts on the ground, assess the balance of risks, and make a prudent, all-things-considered judgment that you are willing to revise in light of newly discovered facts and unanticipated events.

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The essays edited by Thomas Carothers and Marina Ottaway offer a welcome corrective to a foreign policy built on abstractions. The authors stress differences among Middle Eastern nations, along dimensions such as social structure, the balance of political forces, and the degree of autocracy. They emphasize the weakness of the constituencies favoring liberal democracy and the contrasting strength of Islamist organizations. They point to subtle paradoxes that impede the path to democracy—for example, the fact that secular liberal democrats and proponents of women's rights, if forced to choose, will often make common cause with autocrats rather than risk an Islamist takeover. Nineteen-fifties-style modernization theory is not the whole truth, but neither is it wholly misleading: Under some circumstances, economic liberalization and growth may have to precede democratization.

No doubt most Americans would welcome a world in which more nations become democratic, and they would be right to do so. As Morton H. Halperin, Joseph T. Siegle, and Michael M. Weinstein show in their important empirical study, democracy tends to promote not only freedom but also prosperity and peace. The proponents of '50s-style modernization theory were only half-right. Yes, a liberalizing autocracy can foster economic growth that expands the middle class, laying the foundation for a democratic transition. But it is also possible to establish democracies in relatively poor countries, whose subsequent economic track records are at least as strong as those of economically dynamic autocracies. And as they grow, democracies with low per-capita income do a better job than autocracies in providing for the basic needs and welfare of their people.

Lower-income democracies are somewhat more likely to "backtrack" to nondemocratic forms of governance, especially in circumstances of economic stagnation. But the authors argue convincingly, "Holding off on all democratization until there is absolute certainty that backtracking will not occur is akin to never getting into a car so as to avoid having an accident. You may achieve your objective but ... you are not going anywhere."

The "democracy advantage" extends beyond economics to security. Not only are democratic nations less likely to go to war (with nondemocracies as well as other democracies); they are also less likely to generate the frustration and rage that provide such fertile ground for the growth of radical ideologies and nonstate terrorism.

For these reasons, among others, most Americans will cheer when their president confidently articulates American values, and they will not object if the president links foreign aid to progress toward democracy. Halperin and his coauthors find little fault with the Bush administration's Millennium Challenge Account, which ties aid to progress against corruption and toward governance that is more transparent and responsive to popular will.

These propositions do not divide Bush and Sharansky from their critics. The real issue is whether, how, and to what extent we can successfully promote democracy. What means should we be willing to employ to promote it? Can we assume that all individuals everywhere yearn for democracy and that all nations are equally ripe for democratization? What difference do history, culture, and religion make in delimiting the prospects for democracy? How should we understand and deal with nondemocratic regimes? Would democratic regimes in the Middle East and elsewhere be better disposed to the United States than the regimes they would replace? Will the promotion of democracy address life-and-death issues such as proliferation of nuclear weapons to global terrorist organizations? What should we do if the promotion of democracy comes into conflict with other vital objectives of U.S. foreign policy?

John Quincy Adams urged his countrymen not to venture abroad in search of "monsters to destroy," and advised that America instead be a "well-wisher to the freedom and independence of all" but "champion and vindicator only of her own." There are intermediate options, of course, including investing in civil society, civic education, and democratic institution building in nations struggling to liberate themselves from autocracy. President Bush is right that a more democratic world would be a better world. The question is whether spilling American blood and treasure in the sands of Mesopotamia is the best way to create it. **TAP**

***William A. Galston** is the Saul I. Stern Professor of Civic Engagement and interim dean at the University of Maryland's School of Public Policy.*

BOOKS

STARVING FOR YOUR JOB

THE WORLD IS FLAT: A BRIEF HISTORY OF THE TWENTY-FIRST CENTURY
BY THOMAS L. FRIEDMAN, Farrar, Straus and Giroux, 496 pages, $27.50

BY ROBERT KUTTNER

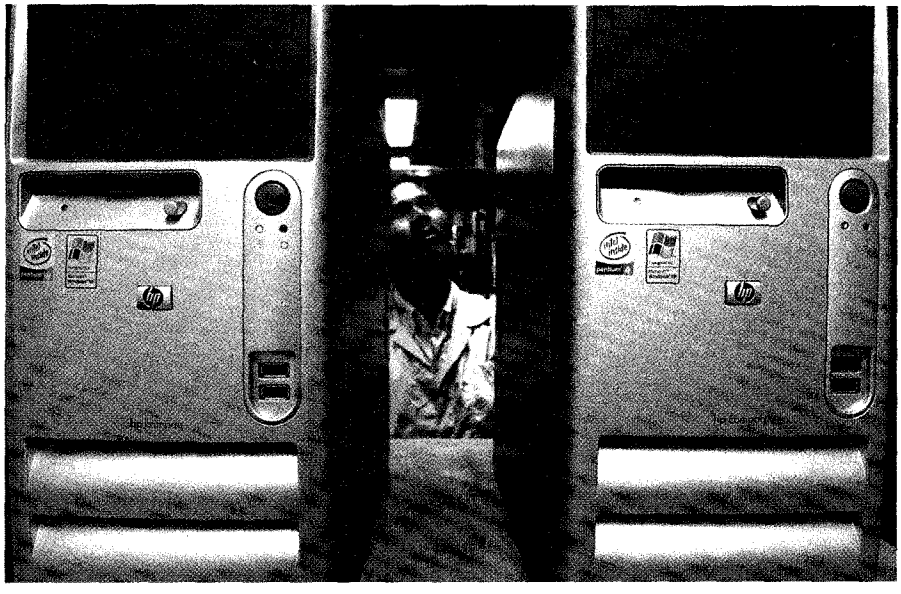
I OPENED THOMAS FRIEDMAN'S *THE World Is Flat* expecting another paean to globalization, and though it surely is that, this book is also a well-reported, original, and nuanced discussion that every liberal needs to read, as much for its instructive omissions as for it insights and caveats. (Note to Farrar, Straus and Giroux marketing department: Do not quote that sentence except in its entirety.)

Friedman compellingly demonstrates why several trends that American progressives generally deplore are here to stay, and why those trends are also sources of faster economic growth for the world as a whole. Any economist who contends, based on conventional employment statistics, that outsourcing is no big deal is simply missing an epochal change. The test isn't how many jobs are being lost but where and how new economic activity is being created. In a major shift from his earlier views, Friedman also

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concedes that, unless we drastically change our policies, current trends may be bad for a great many Americans.

This is mainly a book of business reporting, based on dozens of lively stories of globalized companies large and small, which use new technologies to link workers, suppliers, retailers, and customers in diverse countries. People irritated by Friedman's penchant for putting himself at the center of his anecdotes, and for sometimes drawing universal inferences from exceptional cases, will recognize the genre. Even so, he is well worth reading.



Face the Competition: Just as smart as you, and willing to work for less

By a "flat" world, Friedman means that multiple barriers to commerce, innovation, and entrepreneurship have fallen, while new technologies like the Internet have created unimagined opportunities for collaboration on a global scale. You have read much of this before, but Friedman's contribution is to unpack the new, flattened world economy and examine its several driving elements.

These, Friedman explains, include the near-universal access to a broadband Internet; new interactive software like PayPal, whose automated transactions facilitate entire new kinds of businesses like eBay; the open-source movement; the offshoring of production and outsourcing of service-sector work such as call centers; super-efficient "supply-chaining" of the sort pioneered by Wal-Mart; "insourcing," in which companies like UPS and IBM run major portions of their clients' businesses; and empowerment of individuals through Internet comparative shopping, entrepreneurship opportunities, and search engines such as Google.

These technological breakthroughs started "to work together in a complementary, mutually enhancing fashion" by about 2000, Friedman writes. Economists such as Robert Solow, who initially debunked the premise that the computer was supercharging productivity, turned out to be wrong. Economic historians such as Paul David, who observed that new technologies—from steam to electricity to computing—always take time to be productively assimilated, were right. Coincidentally, all this occurred just as 3 billion people in China and India and the former Soviet empire joined the world economy, many of them with surprisingly good educations.

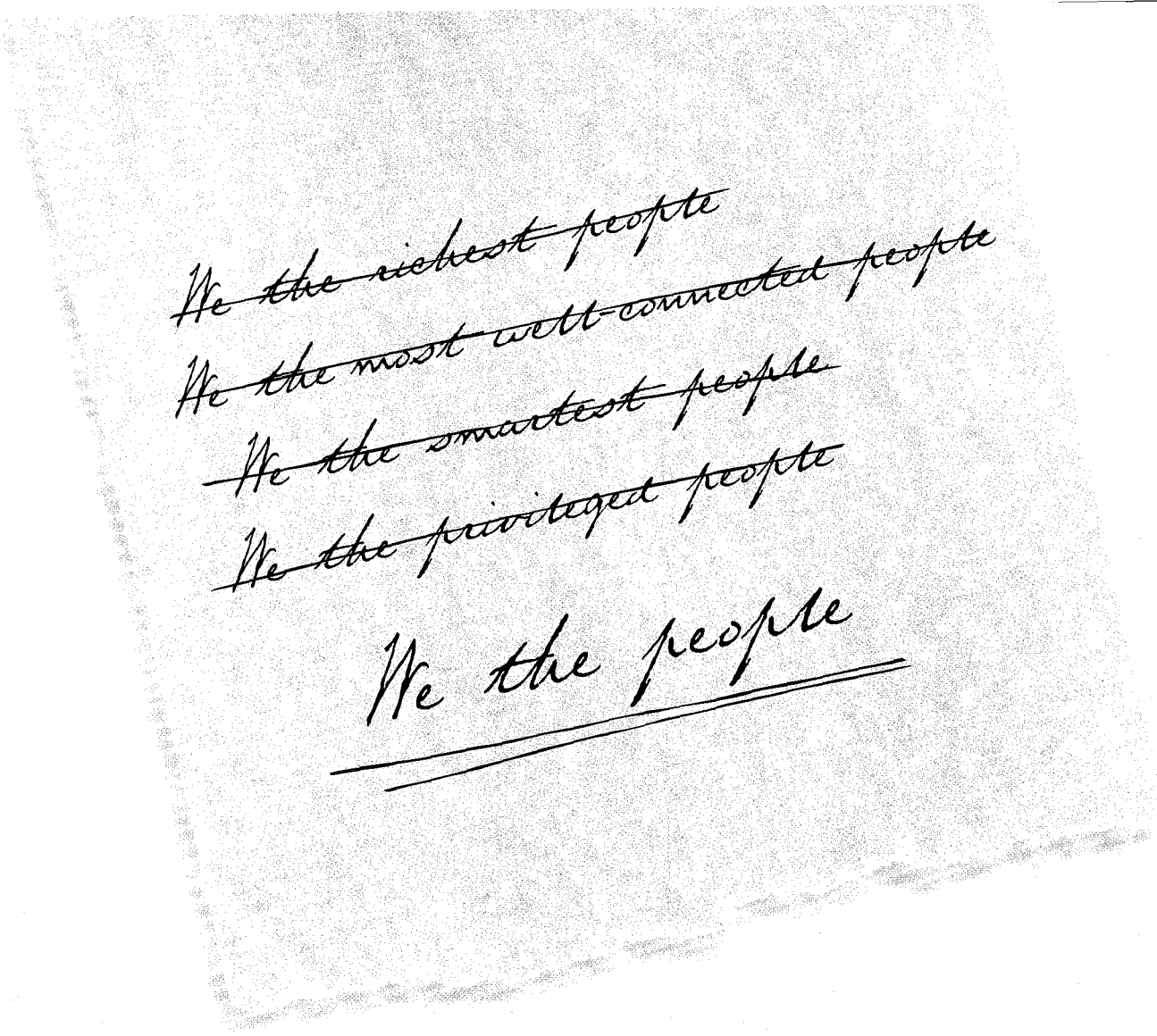
Thanks to this convergence, smart people in poor countries, with productivity comparable to Americans up and down the skill ladder but at a fraction of the labor costs, are suddenly in direct competition with us, one another, and the rest of the world. The global economy is now so thoroughly interpenetrated that protectionism is now not only ill-advised but also a practical impossibility.

Friedman contends, offering myriad examples, that the new economy offers so much new possibility that Americans should have nothing to fear. The Bank of India, he marvels, hired Hewlett-Packard to take over its back-office operations, generating jobs and profits for Silicon Valley and keeping HP at the forefront of inventing-by-doing. "Even as the world gets flat," Friedman writes, "America as a whole will benefit more by sticking to the basic principles of free trade, as it always has, than by trying to erect walls." (In fact, the United States has not "always" been a free trader. Like every other newly emerging nation—including Japan, Korea, Germany, Brazil, India, and China—America initially was heavily protectionist, right into the early 20th century. It only turned to freer trade, as India and China later did, when that course seemed to offer net advantage.)

Friedman then adds a warning. America is squandering its great advantage: its ability to innovate. "It was American innovators who started Google, Intel, HP, Dell, Microsoft, and Cisco," he writes, "and it matters where innovation happens." Our capacity to innovate, in turn, reflects several American strengths that Friedman astutely recounts: great universities (America has about 4,000; the entire rest of the world, about 7,800); government investment in research and technology; deep, broad, and clean capital markets; reliable intellectual-property protection; political stability; the world's biggest consumer market; a flexible, well-educated labor force; and sheer openness—to ideas and people. "The United States has become one of the great meeting points in the world," Friedman writes, "a place where lots of different people bond and learn to trust one another."

But every item on the list that generates competitive advantage is fraying. Government-financed research and development has been cut in half. Our capital markets are sullied by opportunism and corruption, and are absorbing foreign money mainly to finance bad fiscal policy. The balance between intellectual-property protection for the innovator and diffusion to the economy is tilting in favor of proprietary capture. We are failing to educate and retrain workers. Our famed openness is being sacrificed to post-Septmber 11 paranoia. Even our mass-consumer market is declining as living standards stagnate

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except at the top. "Are we tending to the secrets of our sauce?" Friedman asks. "The answer is no."

Friedman's proposed remedies are superb, as far as they go: crash programs to produce more scientists and engineers, redoubled public investment in research and development, plus immigration reform, and more social investment in education. He also embraces something much like the labor and environmental movements' proposed Apollo Project, "to make America energy-independent in ten years," as well as job training; wage insurance; universal, portable pensions; and health insurance. In perhaps his single worst new coinage, Friedman terms this approach "compassionate flatism."

Here is the germ of a program that might unite the progressive and New Democrat wings of American liberalism. These social investments and cushions against dislocation (Friedman calls this "good fat") could certainly help America to maintain the commanding heights of the new economy and redistribute opportunity to those with the most to lose. But while these social investments are necessary and overdue, they are far from sufficient.

In an emblematic anecdote, Friedman recounts this domestic homily on his advice to his teenage daughters: "Girls, when I was growing up, my parents used to say to me, 'Tom, finish your dinner—people in China and India are starving.' My advice to you is: Girls, finish your homework—people in China and India are starving for your jobs."

This is charming, except as the rest of Friedman's book makes clear, diligent scientists and engineers in China and India are working for a pittance. No matter how hard his daughters work, their efforts won't solve the wage-equilibration problem unless they want Chinese wages.

On the political, regulatory, and civic implications of his tour of the new economy shift, Friedman is good at posing questions but not at supplying convincing answers. "What happens," Friedman quotes a former Commerce Department official named David Rothkopf, "if the political entity in which you are located no longer corresponds to a job that takes place in cyberspace, or no longer really encompasses workers collaborating with other workers in different corners of the globe, or no longer really captures products produced in multiple places simultaneously? Who regulates the work? Who taxes it? Who should benefit from those taxes?"

Who, indeed? But Friedman has no answer. Nor does he address the proper ground rules for the trading system, now plainly stacked in favor of corporations and investors and against ordinary workers worldwide. And is China's poverty a sufficient reason to allow the Chinese to cheat?

Friedman's conception of politics is also underdeveloped. In order for his sensible program of social investment to win enactment, progressive voters who stand to gain from activist government would need to be mobilized. But Friedman is so phobic about anything that would regulate trade flows that his conception of politics instead imagines a new two-party system of a foolish "Wall Party" and a smart "Web Party"—conservative xenophobes and protectionist factory workers in the first, and right-thinking internationalists from Wall Street, Silicon Valley, and the blogosphere in the second. The result of such a realignment, however, would not be the enlightened social investment that Friedman commends but ugly nationalism on one side and what Robert B. Reich calls the "secession of the successful" on the other.

Friedman has done a service in reminding us that the global egg cannot be unscrambled and in opening the door to social investment as part of the remedy to its dislocations. But he is so taken by the new global communities of the nimble that he is oblivious to the politics of what Jeff Faux, in a forthcoming book due next January, calls the global class war. In that war, Faux observes, all the rules of commerce—from the Basel Accords on capital standards to the Codex Alimentarius on food to the rules of intellectual property to the World Trade Organization itself—are written by and for industry. This, in turn, reflects the changed balance of power in the major trading nations, where corporate interests dominate the leading parties. It is a far cry from the more egalitarian system of the mid-20th century, in which the polity balanced worker and citizen rights against those of corporations.

It is no solution to imagine, with George W. Bush and Tom Friedman in most of his chapters, that the problem will be solved by literally everyone becoming an entrepreneur and by newly empowered consumers using the Internet to discipline corporations. We still need our civic and economic selves that rely on paychecks, social investments, and government regulations to keep the whole magnificent machine from coming off the rails. For the corrective, read Faux's forthcoming book against Friedman's. **TAP**

BOOKS

THEIR BABIES ARE EVERYTHING

PROMISES I CAN KEEP: WHY POOR WOMEN PUT MOTHERHOOD BEFORE MARRIAGE BY KATHRYN EDIN AND MARIA KEFALAS University of California Press, 312 pages, $24.95

BY ANN CRITTENDEN

In the American pantheon of evildoers, "welfare moms" easily outrank rotten CEOs, corrupt defense contractors, and media moguls who sell sex and sensation. No group has been as demonized, denigrated, or denounced as the poor girls who have children before they are married or financially prepared. But why try to get to the bottom of complex cultural problems when kicking the underdogs and blaming them for what's wrong in America is such satisfying sport? Goaded by popular opinion, the massive federal government resembles an angry paterfamilias trying to crack down on rebellious teenage daughters

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Love You Can Count On: Marriage is a luxury but kids are a necessity.

without understanding what's behind their often feckless behavior.

Thankfully, someone has now taken the trouble to ask poor mothers themselves what's going on. Kathryn Edin, a sociologist, and Maria Kefalas, an ethnographer, spent years interviewing 162 white, black, and Hispanic women from Philadelphia's inner city, and their new book, *Promises I Can Keep*, attempts to answer two questions: Why do these women so seldom marry; and why, at young ages, do they go ahead and have children they can barely afford? The experts have their theories, but the only real experts are the mothers themselves, and it's refreshing to hear from them for a change.

The authors went to extraordinary lengths. Like a good investigative reporter, Edin even moved her family, including young children, into one of the poorest communities in the Philadelphia area for two and half years, trying to understand the lives of her subjects. Her findings debunk many of the urban myths about welfare mothers that have produced so much high blood pressure and bad social policy.

For starters, there appears to be little difference in worldviews or behavior among the poor, whatever their ethnicity. Class, not race, seems to be the key determinant. Second, these young women have just as much respect for marriage as anyone else. Their hopes and dreams of wedded bliss rival anything Jane Austen or the screenwriters of *Pretty Woman* could have ever dreamed up. The problem is that they just want what we would all agree is reasonable: husbands who don't fool around, who can earn a decent living, who don't beat them or do drugs or end up in prison.

Women today—whatever their class—don't want to settle for what passed as an acceptable marriage in the 1950s. But this turns out to be a tall order for an uneducated girl living in a bad neighborhood who was never very interested in school. Forget A-list guys—these girls will be lucky to find anyone who could make the C list on a slow weeknight in August.

In the meantime, while they are waiting for someone who is marriage material, poor girls tend to fool around with guys who are clearly not, and that leads—surprise, surprise—to pregnancy. And in a departure from their middle-class



***On the Border* should be carefully considered by all those who care for the future of the Israeli and Palestinian peoples.**
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sisters, disadvantaged girls tend to have their unplanned but not quite accidental babies. For them, as the authors put it, "marriage is a longed-for luxury [but] children are a necessity."

Edin and Kefalas believe that the poor value babies more than middle-class Americans. The women they met could not imagine a life without children; for them, childlessness would be a tragedy.

They are the mothers the right dreams of: They have babies early, and their highest aspirations are to nurture and be fulfilled by their offspring.

When Kefalas became pregnant at age 30 with her first child, the teen mothers she was working with assumed, as one put it, that it was a miracle. They couldn't imagine that anyone could have chosen to put off childbearing that long. Many poor young girls have their family early "to get it out of the way." Waiting for Mr. Right, who might not show up before they qualify for Social Security, makes no sense. And marrying Mr. Wrong, only to end up divorced, makes no sense either. Interestingly, for these women, divorce is more shameful than a baby born out of wedlock. As one unwed mother of two put it, "I'm not going to do nothing, like make any promises that I'm not gonna be able to keep."

Edin and Kefalas may have stumbled on an explanation for the recent stability in divorce rates: Fewer young people in unsatisfying or doubtful relationships are getting married. These young mothers realize that they will sacrifice very little in future opportunities by having their children early. Disadvantaged teen mothers have about the same long-term earnings as similarly disadvantaged youth who wait until their mid- or late 20s to have a child. Put another way, poorly educated young women, unlike middle-class girls, have very low "opportunity costs" when they become mothers.

On the contrary, for a young woman with few attractive options, a baby becomes a powerful source of identity and purpose in life. The authors were struck by how many women saw their children as an unmitigated blessing, even as their salvation. Asked to imagine life without children, typical comments were, "I'd be messed up on drugs," and, "I'd be nowhere at all." Raising a child conscientiously was life's heroic challenge and deepest source of satisfaction. The difficulties were the test of one's mettle.

Disadvantaged women, in short, become the mothers that the right wing dreams of: mothers who have their babies early, and whose highest aspirations in life are to nurture and be fulfilled by their offspring.

Nor do these women lack a work ethic. Edin and Kefalas found no sign of any desire to "live off welfare" or "milk the system," as so many right-thinking, tax-paying citizens fear. The authors note, "Unlike women of earlier generations, these women today almost universally reject the idea that marriage means finan-

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cial reliance on a male breadwinner." They expect to earn their own way. A woman's own earnings and assets can buy her greater equality in a relationship and a form of insurance against abuse—not to mention food and Pampers for the baby.

The deviant subculture that jumps out of this account is not so much female as male, although the authors unfortunately did not ask men for their side of the story. As the women tell it, troublemaking men are a constant in their lives. Poor white and Hispanic men often drink too much and beat their wives; poor black men are more likely to do drugs and get in trouble with the law. (The black women, interestingly, were less likely to tolerate domestic violence.) Men of whatever race were likely to fool around, to spend money on themselves rather than the family, and to demand subservience at home. All had problems with stable employment, which was undoubtedly an important root cause of much of their destructive behavior.

In light of all this, the most effective marriage-promotion measures would clearly include a full employment policy and an end to draconian prison terms for nonviolent crimes. Who is a poor girl supposed to marry when 2 million men are behind bars, many of them sentenced to 10 years or more for trying to make a buck selling dope?

Still, according to Edin and Kefalas, the sociologist William Julius Wilson's "marriageable pool" hypothesis—the notion that marriage among the poor has declined because of a lack of marriageable men—can explain only a fraction of the current disconnect between marriage and childbearing. More important, they conclude, is what the historian Stephanie Coontz has called the "love revolution": the redefinition of marriage as a relationship that has to be personally fulfilling.

This is progress. It testifies to the triumph of hope over resignation. It represents a revolution of rising expectations among the disadvantaged as well as those better off. It suggests that we don't need policies that promote just "any old marriage" but policies that can foster more emotionally satisfying, egalitarian marriages.

Marriage promotion is a good idea in the United States, where there is more family disruption than anywhere else in the industrialized world. By age 15, only half of American children live with both biological parents, compared with roughly two-thirds of Swedish, German, and French children, and 90 percent of children in Spain and Italy. But we need to be sure we are promoting marriages that are good for everyone in a family, including mothers.

How can we do that? For starters, decades of research show that when young women have greater opportunities in life, they readily postpone having children. Second, nothing encourages marriage like stable earnings, yet wages for the average worker are falling in real terms despite rising corporate profits. At the very least, an increase in the minimum wage and laws making unionization easier would help, yet the same conservative Republicans who want to promote marriage among the poor oppose efforts by workers to improve their lot—suggesting that taking care of corporate donors takes precedence over moral outrage over fatherless families.

It's also time to see poor mothers' devotion to children as a cultural asset. Instead of attacking people for wanting kids, we need policies that help these mothers do a better job, both for their sakes and for ours.

One of the things missing in *Promises I Can Keep* is any detail on the child-rearing practices of poor, disadvantaged mothers. We are told that they have not adopted middle-class child-rearing norms and that they believe that they are good, competent parents. They may be doing their best, but given their lack of resources, it can't be enough. What about fully funded child care, and preschool beginning at age 3, a proven way of improving outcomes for poor kids? What about parent education, for both mothers and fathers, to discourage punitive practices, and a better understanding of what young children are capable of learning?

In sum, why aren't we building on people's love of children instead of calling that strength a weakness? **TAP**

***Ann Crittenden** is the author of* The Price of Motherhood *and* If You've Raised Kids, You Can Manage Anything.

BOOKS

A LIFE OF ONE'S OWN

THE ETHICS OF IDENTITY BY KWAME ANTHONY APPIAH Princeton University Press, 384 pages, $29.95

BY CARL ELLIOTT

MANY OF US, WHEN WE PAUSE to reflect on the larger questions, tend to think of our lives as vast projects that we are responsible for planning, organizing, and living out to completion. We often think, in fact, that a successful project must be one that we have tailored to ourselves as individuals. As John Stuart Mill put it, a person's "own mode of laying out his existence is the best, not because it is the best in itself, but because it is his own mode."

But the choices about how to live that are available to us depend, of course, on who exactly we happen to be: male or female, gay or straight, American or Japanese, Baptist or Muslim. And, to a large extent, who we happen to be is not actually a matter of choice. We don't choose our grandparents, as the saying goes—but neither, in the ordinary course of things, do we choose our gender, our nationality, or our mother tongue. This leaves us with a set of deep philosophical problems around ethics, identity, and individuality. To what extent is the shape of a life given to us, and to what extent do we create it? How do we reconcile the demands of individuality with the demands of our identities?

These are the problems that Kwame Anthony Appiah takes up in his impres-

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sive new book, *The Ethics of Identity*. Appiah is a philosopher at Princeton University, and if there is any ethical idea in America today that needs a good philosophical working over, surely it is identity. But Appiah's book, thankfully, is not about identity politics. Appiah is less interested in argument or polemic than philosophical diagnosis. ("If an agenda, a set of action items, is what you're after," he writes, "my one bit of practical advice is that you look elsewhere.") The result is a thorough exploration of moral concepts such as authenticity, tolerance, individuality, and dignity, and how they are all connected to the task of making a life.

One crucial aspect of making a life involves shaping one's own individuality. Appiah suggests that we have inherited two rival visions of what this task involves. The first, which we have inherited from romanticism, stresses the importance of authenticity. According to an ethic of authenticity, a meaningful life involves getting in touch with our inner depths and being true to what we find there. The second vision, which we have inherited from existentialism, stresses the importance of self-creation. On this account, individuality is important because the only valuable life is one that we have made up for ourselves.

According to Appiah, both of these accounts are wrong. The first is wrong because it ignores the importance of creativity in making a life. The second is wrong because it ignores the materials that are needed for creation. To create an identity for ourselves we must draw on the kinds of identities available to us in our own societies. Some are individual identities; for instance, a person can be a rogue, a clown, or a flirt. But these kinds of identities do not really have a collective dimension.

The more philosophically interesting are collective identities, which come with scripts—socially generated ideas about how people of a certain type ought to conduct themselves. Scripts tell us how to act if we happen to be Texas men, evangelical Christians, or Jewish mothers. Scripts, as Appiah puts it, are "narratives that people can use in shaping their projects and telling their life stories."

What makes these collective identities and scripts so interesting today is that they have been changing, in some cases dramatically. The civil-rights movements of the 1960s and '70s helped to create new ways of being black, gay, and female. Sometimes brand-new collective identities emerge, providing new scripts for people in search of a fitting narrative. For example, when sex-reassignment surgery was made available in the United States for the first time in the mid-'60s, it set into place the conditions by which people could create identities for themselves as transsexuals. And, of course, identities can also be contested. To most hearing people, the condition of being deaf is just a disability, pure and simple. But to the hearing-impaired, educated together for centuries in special schools, being deaf is part of a collective identity, complete with its own languages, institutions, and narratives.

To what extent is the shape of a life given to us, and to what extent do we create it? How do we reconcile the demands of individuality with the demands of our identities?

An identity allows a person to fit his or her life story into a pattern and to connect that individual story to a larger one. It matters to people that their lives are part of the story of, say, the American people. To some, it even matters that their lives are part of the story of the Daughters of the Confederacy, Yale University, or survivors of repetitive strain injury. The fiction writer George Saunders, whom Appiah quotes, satirizes the self-making obsessions of Americans today by describing emerging nation-states such as Men Who Fish, Individuals Reluctant to Kill for an Abstraction, and People Who Say They Hate Television but Admit to Watching It Now and Again, Just to Relax.

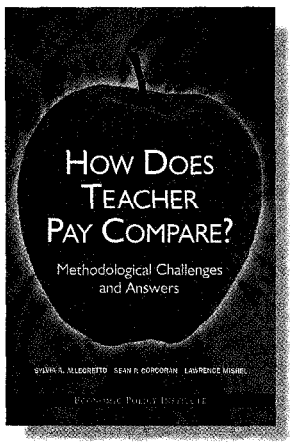
It is hard to know what to admire most about this book: the urbane elegance of Appiah's prose, the reach of his knowledge, or the sheer philosophical sharpness of his analysis. Appiah presents his arguments and observations so cleanly and confidently that they seem not only correct but blindingly obvious. (He even manages to make John Stuart Mill interesting, which is no mean feat.) The conventional rap against professional philosophers is that they write about "narrative" but don't like to tell stories, that they discuss "thick description" but are not too keen on doing it themselves, and that they would rather talk about the concept of culture than any culture in particular.

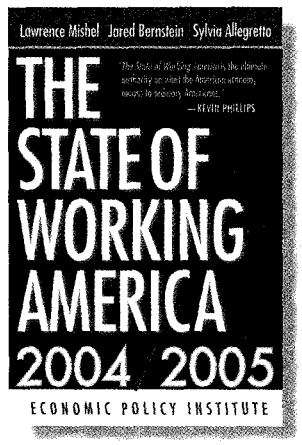
Appiah is an exception to this rule. While his aims are philosophical, he draws liberally on fiction, politics, social science, and occasionally even autobiography. A novelist as well as a philosopher, Appiah is himself a man of multiple identities—the child of a Ghanaian father and an English mother, multilingual, gay, educated at Oxford and Cambridge, now an American citizen who has taught at Harvard, Duke, Cornell, Yale, and Princeton—and, as such, he has a few stories to tell. In the final chapter of the book, titled "Rooted Cosmopolitanism," Appiah writes of his father, Joseph Appiah, a barrister and member of the opposition in Ghana's parliament who was jailed by three different regimes and whose life represented the combination of intense local commitment and worldly ideals that Appiah admires. The book closes with a proverb from Ashanti, the region of Ghana where Appiah and his father were raised: "In a single town there is no wisdom." **TAP**

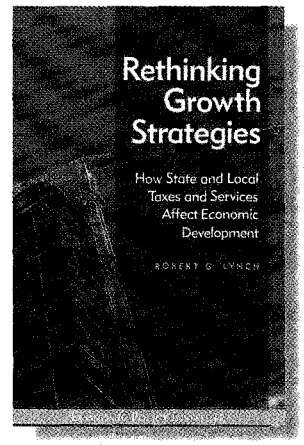
***Carl Elliott** is an associate professor at the University of Minnesota Center for Bioethics and the author of* Better Than Well: American Medicine Meets the American Dream.

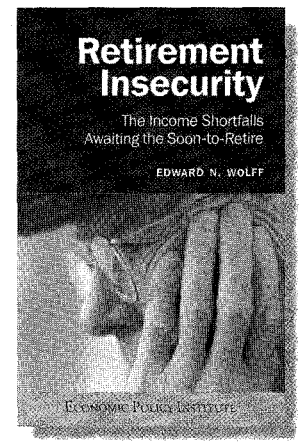
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Public Broadcast(igation)

BY JOE CONASON

FOR MANY YEARS, CONSERVATIVES HAVE WARNED us that someday the commissars of political correctness would run amok and impose their opinions on us with our own tax dollars. What they didn't tell us is that they would become those commissars, and that their politically correct orthodoxy would be the Republican Party line. But that's exactly what the Bush administration's broadcasting apparatchiks appear to be doing at the Corporation for Public Broadcasting (CPB).

The official suspected of extending partisan political control over the public airwaves is Kenneth Tomlinson, a former *Reader's Digest* editor known for his right-wing opinions and Republican affiliations, including a close alliance with the president's chief political and policy adviser, Karl Rove.

Some executives who have observed Tomlinson's bureaucratic maneuverings closely warn that he is imposing a "right-wing agenda" on the Public Broadcasting System (PBS) and National Public Radio (NPR), while he insists that his critics suffer from paranoia and that his only goal is "balance."

He means "balance" as in "fair and balanced."

Tomlinson is staffing the CPB with Rove loyalists. He recently hired Mary Catherine Andrews, a White House communications official, to set up a new "office of the ombudsman" that will oversee public-TV and radio content. Commencing work on this project while still employed by Rove, she "helped draft the office's guiding principles," according to *The New York Times*.

One of the two new ombudsmen is William Schulz, another former *Reader's Digest* veteran known for his reliably Republican attitude when he ran the magazine's Washington bureau. The other is Ken Bode, a DePauw University journalism professor and retired TV correspondent who is also a fellow at the conservative Hudson Institute.

That certainly looks like a fair and balanced team.

Tomlinson ousted the corporation's former president, Kathleen Cox, whose politics were deemed suspicious, replacing her with Kenneth Ferree, a partisan Republican who used to work at the Federal Communications Commission. Ferree is merely an interim appointee, however. His permanent replacement is likely to be Patricia Harrison, a former co-chair of the Republican National Committee.

The new home for Karl Rove's apparatchiks: the Corporation for Public Broadcasting.

While Harrison has no known qualifications for the post, she has earned lavish praise from her fellow Republicans. Ken Mehlman, who now serves as the party chairman, has said that her training programs for GOP volunteers ensured the Bush victory in 2000. *The Washington Times* described her as "a cruise missile" who caused "general havoc" for the Democrats and "earned the respect of the GOP apparatus."

Obviously she's fair and balanced, too.

Tomlinson's excuse for all this Soviet-style partisan patronage, cronyism, and abuse is "liberal bias." He doesn't like to talk specifics, but he grumbles frequently about *Now*, formerly hosted by Bill Moyers, a program that seemingly outweighs all the conservative and corporate programming sponsored on PBS since the inaugural broadcast of William F. Buckley's *Firing Line* in 1966, including *The McLaughlin Group*, *Peggy Noonan on Values*, Ben Wattenberg's *Think Tank*, Adam Smith's *Money World*, *Wall $treet Week*, and *National Desk* featuring Laura Ingraham, Fred Barnes, and Larry Elder. To that long list is added Tucker Carlson's *Unfiltered* and *The Wall Street Journal Report*, a program featuring the windy ideologues of that newspaper's ultra-right editorial board. (The same show was canceled a couple of years ago by CNBC, but now will receive $4 million in public subsidy. So much for the verdict of the free market.)

Despite Tomlinson's claims, the system's integrity isn't in doubt. Actually, he knows that because he commissioned—and has since tried to conceal—two audience surveys that found remarkably high levels of national confidence in public broadcasting.

The first poll, conducted in 2002, showed little concern about liberal bias. That finding didn't please Tomlinson, so the CPB commissioned a second survey taken during the summer of 2003. A bipartisan team of professional pollsters reported finding an 80-percent "favorable" rating for PBS and NPR. More than half of the 1,008 adults questioned said they believe that PBS is more "trustworthy" than ABC, NBC, CBS, CNN, and FOX News. Nearly half think that the government should spend more money on the kind of "in-depth" programming provided by the public-broadcasting services.

In other words, the American people already consider PBS and NPR "fair and balanced" in the traditional sense. And they don't think public broadcasting needs improvement by Karl Rove's commissars. TAP

Robert B. Reich will return next month

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